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6 MAY 1987

WEST EUROPE REPORT

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NEISSER ON SLOW START, PROBLEMS OF COALITION GOVERNMENT

Vienna INDUSTRIE in German 18 Mar 87 pp 24-27

[Interview with Chancellery Minister Dr. Heinrich Neisser by Milan Fruehbauer:
"We Must Stand by the Program;" date and place not specified]

[Text] The starting phase of the grand coalition was not at all of a furious pace. There is sand in the gears, many well-meaning observers think. Medium spectacle instead of meaningful team work, suspect those who had been skeptical a priori. And how does Chancellery Minister Dr. Heinrich Neisser see the situation, at one of the rather "quieter" switchboards of the grand coalition? Milan Fruehbauer spoke with him on government performance and the condition of the Austrian People's Party [OeVP].

[Question] The rather sluggish start with regard to factual political matters is grist for the mills of those who had always been skeptical about the grand coalition. Where do you see the causes of this absolutely failed beginning phase?

[Answer] What is lacking is a mood of confidence in this coalition. If everything is implemented that is provided for in the government agreement, it is undoubtedly not the turnaround in the sense of the pre-election program of the Austrian People's Party, but it would get us ahead a good piece. The rational content of the program simply needs a certain mood, and so far we have not succeeded in creating it. In the beginning phase of government activity, we all exhausted ourselves in thematic trivialities. Measures on specific points were announced which then were immediately rejected or talked to death.

[Question] The first weeks of government activity were characterized by numerous proposals whose content is undoubtedly based on the agreement. But they immediately came up against a great many particular interests and group egotisms. Right afterward, political retreat lines were set up. Do you personally believe that, in the long term, this government will have the courage to be an unpopular majority?

[Answer] It would be disastrous if this government signalled a priori that it does not take group interests seriously and practically wants to railroad them.

However, it would be even more disastrous to only create retreat lines and to throw the program overboard. The program is good and must be implemented. I am quite aware that the grand coalition is among the most uncomfortable constellations at the government level. Nonetheless, I stand behind the entire content of the agreements concluded.

[Question] Is it not primarily a matter of the heterogeneous personnel composition of the government team?

[Answer] There may be some heterogeneity here and there, but the government team in its entirety is convinced that new roads must be traveled. One can call it restructuring, as does the OeVP, or modernization, as Federal Chancellor Vranitzky tends to call it. In its end result it is still a new form of politics.

[Question] What is your function as chancellery minister in this government? It is a concept which does not mean much even to politically interested people here.

[Answer] I am personally responsible for carrying out some of the tasks of the Federal Chancellery. Essentially, this concerns three areas: the question of federal policy, because the relationship between federation and Laender [states] will be of decisive importance; secondly, the question of administrative reform. I would like to replace this rather technical term with a structural renewal of our state organization. The third area is fundamental questions of a further development of democracy, the constitution, basic rights, etc.

Beyond that, I essentially see my task as implementing this working agreement, which to me represents the essential factual political basis and which is also the greatest factual political consensus ever achieved in the Second Republic. And largely done without compromises.

[Question] Do you have definite task settings in the legislative preparation of government bills?

[Answer] Formally, I do not introduce government bills but, of course, de facto I fulfill a coordinating function. It is my job to coordinate, on the government level, the content of legislative work and also to keep an eye on the timetables, or coordinate them, respectively.

[Question] You mentioned federalism. Do developments of past weeks not indicate a stronger centrifugal trend of the federal states away from central powers?

[Answer] I should like to regard my task in this connection very realistically. I am certainly not called upon to be the "Integrator Austriae." My challenge consists in giving the federal states the feeling that they have a man of their trust sitting in the federal government, also. Without a doubt I do not presume to overcome economic disparities, for example, such as the

separate development in economic respects between the western and eastern regions of our country.

Essentially, I rather see my function in being an honest broker between state and federal interests.

This is not difficult for me personally since I consider myself a federalist by conviction.

[Question] On the Laender level, also, a very vehement discussion of democracy is taking place. Often the opinion is voiced that Austria should decide on a concentration government patterned after the Swiss model. In addition, there is also a qualified minority calling for the so-called coalition-free area. Among other things, it demands formal outlets for factual questions if no solutions are found on the coalition level, and it also prefers stronger forms of developing the [political] will through plebiscites. What is your attitude vis-a-vis these political discussions on democracy?

[Answer] I consider the further development of direct democracy in particular a very essential challenge of our policy. And I admit that what is said in the working agreement with regard to direct democracy, is at best only a minimal program.

It seems essential to me that the subjects "reform of democracy" and "policy of democracy" are not being checked off as finished only because--admittedly--in the agreement already mentioned, compromise formulations were found.

[Question] How soon, Mr. Minister, do you think one can expect the announced voting rights reform during this legislative period?

[Answer] We obligated ourselves to submit a government bill this year, that is, still in 1987, and that must be observed. Incidentally, that is one of the subjects--and I see that as positive--which are under full discussion right now. It is difficult since there is already some opposition, I must admit that, but it is being treated fully and entirely because the politicians recognize the challenge of the voting rights reform.

[Question] Does this mean that Austria will also get the two-vote system according to the West German model?

[Answer] Yes, that is our tendency. We do not want to change the proportional representation system, but simultaneously we want to give the voting citizen the possibility of a direct election of candidates. The voter is to have the option to "personalize" his vote.

[Question] In concrete terms this means that in Austria, also, there will be about 100 voting districts where parliamentary seats are elected directly.

[Answer] That is about our thinking. There will be between 95 and 100 parliamentary seats to be elected directly, and at present we are working on the definition of voting districts. I admit that this question is a political

issue. I proceed from the assumption that the political district simultaneously should also be such a voting district. In the federal capital, Vienna, some districts or parts of districts will undoubtedly have to be merged; that means that Vienna will again have several voting districts, as had been the case earlier on.

[Question] The newly elected parliament consists of four party caucuses. Even the first plenary sessions showed that there will be a change in the parliamentary climate. At the same time, the trend toward more militant polarization is growing in the country, as shown by the events surrounding the Viennese Opera Ball. Are you of the opinion that, in the long term, there will be polarization tendencies in Austrian parliamentarism?

[Answer] I am hoping that the new political situation in the parliament will make parliamentarism more pronounced and livelier. It is still too early to make a final judgment, but I am somewhat disappointed by the present action method of the Green parliamentary caucus. I do not wish to deny that the Greens undoubtedly fulfill their function in their very own area, namely, an enforced environmental policy. But the parliamentary practice which has resulted so far is to me too much of a theatrical nature.

[Question] The opposition caucuses are vehemently calling for a reform of parliamentary procedural rules. In their opinion, they are to be adapted so that the number of seats obtained will be sufficient to exercise practically all parliamentary control rights provided in the constitution and rules of procedure. Do you consider it necessary and advantageous to adapt the parliamentary rules of procedure to the various ratios of seats held?

[Answer] I am against introducing an automatic system which would adapt the minority rights to the respective number of seats. For decades, Austrian parliamentarism was characterized by the continuity of the existing rules of the game. In the question of an urgent interpellation I am of the opinion that none of the preconditions should be changed, for example, a quorum of 20 signatures. Under certain circumstances I would enlarge the individual rights of the individual member of parliament where a consensus by a certain number of signatures is not prescribed. In the question of committees of inquiry, I hold the view that this should be a right of the minority. I have always held the opinion that one-fourth or one-fifth of parliamentary strength should suffice to demand or implement, respectively, a committee of inquiry. Naturally, this also holds true for chairing the committee.

[Question] One more question on the Austrian People's Party. In some federal states, there continue to be sympathizers and even some functionaries of the OeVP who are skeptical about the grand coalition and would have preferred a small coalition with the Liberal Party. On your journeys through federal states, do you find this true even today, after the list of problems of unfinished business has become evident in the government declaration?

[Answer] Without a doubt, there are still some middle-class voters who would have preferred cooperation with the Liberal Party. For me, personally, there are two reasons for supporting the grand coalition.

For one, the great number of existing open questions requires a broad parliamentary majority for solving them. Secondly, I am of the opinion that Dr. Haider's Liberal Party, and I deliberately formulate it this way, would have been in opposition in every situation. That means that Dr. Haider's Liberal Party also would have exercised an opposition function within its participation in government under the leadership of the OeVP. That is my personal opinion on this question.

[Question] By-elections during a legislative period always have the character of a barometer of opinion. Could you imagine, Mr. Minister, that losses of the two large parties in upcoming state parliamentary and local elections could lead to the situation where, within the government coalition, courage could dwindle to use the broad parliamentary majority in solving difficult problems with sometimes unpopular measures?

[Answer] It is possible, but it would be disastrous. The grand coalition has the chance of being accepted to a greater extent than up to now if it proves that it is tackling the problems and implements solutions. I believe that voters will think differently about the grand coalition if, in 2 or 3 years, it is in a position to show concrete results. There is no question that this requires a certain courage, but we must see it through.

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PRL'S MICHEL, GOL ON COALITION, FINANCES, SOCIALISTS

Brussels LA LIBRE BELGIQUE in French 13 Feb 87 p 2

[Interview with Louis Michel and Jean Gol, PRL [Liberal Reform Party] leaders, by Guy Daloze and Andre Mean; date and place not given]

[Text] [Question] Why should there be a PRL congress at this precise time? Had it been planned for a long time or was it the announcement of a PSC [Social Christian Party] congress on 21 February that caused you to gather together...a week earlier?

[Michel] The congress had been planned for 6 to 7 months within the context of the doctrinal congress that we are to hold at the end of this year.

This February congress is articulated around symposium-debates. There will be a very free discussion that will serve to draft precise texts by experts. These texts will in turn serve as a basis for the work of the congressional committees at the end of the year.

Thus it is that we shall define two proposals setting forth the party's priorities for the months ahead.

Repositioning

[Question] Do you feel a need to find a new position?

[Michel] It is not a matter of a repositioning. It is a matter of stating very clearly our positions on the eve of the consideration of the budget and the drafting of the 1988 budget.

[Question] Do you also want a "new look" government?

[Michel] That is beginning to turn into rhetoric. I find that the government is doing very well. It has successfully gone through a series of major difficulties and contradicts the generally pessimistic remarks that one finds at regular intervals from the pens of journalists. It is sometimes more respectable for a government to handle the regular administration than to continually reinvent new things. Imagination is also necessary in day-to-day administration.

[Question] Mr Gol, you are therefore a government of managers?

[Gol] We do manage the country, but it was not regular business the president was speaking about. I think quite simply that the government is carrying out its governmental statement and program. And those documents are very rich! They contain enough substance to last several years. As the president said, we have crossed many obstacles reputed to be insurpassable.

Happart: Insoluble

[Question] On the other hand, as far as the Happart problem is concerned, you have gotten nowhere.

[Gol] That problem has not been resolved and is practically insoluble, given the current state of opinion in our country. It is not I who say so, but rather, Mr Spitaels, who admits that there are as many differences on this question between the two Socialist parties as between parties in the coalition.

A different coalition would be no more able to solve the Happart, Capart and Co. problems.

[Question] Then why did the prime minister announce a measure?

[Gol] I would rather speak of a procedure for resolving the problem in the future. It is obvious, in fact, that the current problems are not posed within the government because the existing procedures do not lead directly to the government. Having said that much, we have the more general problem of the use of languages by public officials in communes with a special linguistic status. However, on this point, we have made the commitment that only the prime minister and minister of interior would eventually make.

Tired Government?

[Question] Is the Socialist Party (PS) not playing on the image of a tired government? For example, there is its current poster campaign.

[Gol] As you say, the PS is doing that. Nor do I blame it because when one is in the opposition, one does not have the opportunity to face problems directly.

I have observed that the image which the Socialist Party wishes to reflect is above all a negative image of others or of the government and scarcely a positive image of itself.

If Mr Spitaels believes that the government is tired -- and every living being grows tired -- then I would say that he also is wearing himself out serving. The Socialist Party in the opposition became worn-out without serving. Unlike the Wonder battery that wears out only if one uses it!

Budget Control

[Question] There is a new confrontation on the horizon: budget control. In what state of mind do you face this new obstacle?

[Michel] We reaffirm the priority of the goal of rehabilitating public finances. One must not challenge the budget objective that has been set. We must see that everyone achieves what was decided upon.

[Question] But the PSC speaks of an "overdose"?

[Michel] It could have spoken of overdoses at the time the decisions were made. I am troubled by certain methods of the PSD. One always has the impression that the partner announces on our part rejections of certain proposals that it files and that seem attractive. Using this method, they lead one to believe that the Liberals are big, bad wolves that want to make the most unjust and unfair readjustments and that reject anything popular. If one is to believe them, they alone are nice and we are wicked.

The congress this weekend should demonstrate that we have no lessons to learn from anyone regarding human and social concerns. We feel the distress with as much generosity as others. It is perhaps the means that differ somewhat. One can add heart to the figures, but that changes them not in the slightest. Figures are a fact one must take into consideration. I do not intend to accept the undoing of budgetary and economic priorities. They must not count on us to accept any retreat regarding adjustments. Naturally, there is room for discussion, but they must not think that the Liberals will henceforth back a socialist-type policy. We will not be any more flexible regarding PSC measures of the socialist type than regarding PS measures. We are accountable to all the voters who voted for the coalition in the last elections.

Shift to the Left of PSC?

[Question] And you, Mr Gol, what do you think of this "repositioning" of your PSC partner?

[Gol] "Repositioning" or shift to the left?

I recall that the budgetary adjustment (8 percent of the GNP) remains the government's prime objective. The year 1987 will be a test for the rehabilitation. There can be no question of the objective being brought into question. I would observe that even in taking the worst figures announced as the likely budget deficit and therefore, to be absorbed under the budget control, we are still under 9 percent. It would be absurd to give up when the goal is close to being achieved.

I do not want to change directions. When one speaks of budget readjustments, it is also part of our economic credibility. It would make the worst impression at home and abroad if we were not to achieve our objectives.

For example, I am astonished to hear a man like Herman Van Rompuy, director of the CEPESS, say that we must give up and, at the same time, present apocalyptic figures on budget slippage. What is his purpose, if not to discredit the budget operation and the person responsible for it, my friend Verhofstadt? I have not always agreed with the latter, but I find it unacceptable to try to prevent him from achieving the objective set, either by dramatizing the budget situation or by letting it appear that there would be a failure on the latter or by making it impossible to carry out the measures decided upon by the presentation of new demands.

Having said that much, within the framework of the means to be applied to absorb the deficit revealed by the budget audit, I believe that there is a certain number of sectors that should not be the object of new measures (education, research, public investments that create jobs, the poorest population groups, disabled veterans and pensions). But the measures taken at Val Duchesse must be carried out.

And finally, like Louis Michel, I say that the voters chose to maintain the current coalition and a certain type of politics. I cannot accept, as Seraing said, that the president of the PSC should give preference to the specificities of his party over maintaining the coalition. We are ready to say that we give priority to political stability and continuing the coalition, transcending individual specificities. What we must do is find compromises. We have no interest in determining our identity by opposition. As Valéry said: "One thinks based on one's clashes." I do not think that that is always true. There is a benefit to be gained by thinking in terms of one's own interests and one's own thought. Choosing to identify oneself by opposition to others seems to me to be a bad thing, especially in a couple or a coalition.

[Question] One of the themes of your congress is education. Damseaux seems to have started after a reform in education. Is that solely within his province or within that of the entire government?

[Michel] It is more a matter of an option than a pedagogical proposal, aimed at strengthening the "common trunk," meaning general education, to the detriment of overspecialization and a scattered effort. The new patterns that Damseaux proposes to introduce are mainly aimed at going back to the major disciplines, with a stronger general background, so indispensable today in order to be able to adapt. Education will emerge from this synthesis of the positive elements of the new and the traditional greatly strengthened. It is normal for such a reform to be discussed with the entire government.

[Gol] There has been so much hairsplitting within the government over circulars relating to the standards and coefficients of organization that we can now discuss the essential question and that question is threefold. We must put together an education proposal and an education proposal (with maximum autonomy for the educational communities) making room for what is best in the new and the traditional. We must halt the deterioration of peace in the schools and the work of the National Pact Commission must resume. Finally, Frenchspeakers must be prepared for the inevitable trend toward a greater autonomy of the communities in education, which will be effective only through a new preliminary school pact at the community level.

That pact should touch upon many subjects: respect for the freedom of education, fair treatment of the different branches of education, free choice, but also the quality, specificity and neutrality of official education, for one cannot approach this new pact without reflecting on the role and future of official education, lacking any true organizational power. At the present time, it is the government, the provinces, the communes, meaning everyone....

[Question] Does the Socialist Party agree on that? You recently met with Spitaels?

[Gol] The Socialist Party is certainly not closed to the idea of discussion. And in the PSC, an authorized voice such as that of Gendebien has just been raised in favor of an academic pact in the academic community.

[Michel] I would have difficulty imagining that the government could consider an education proposal without submitting it to the National Commission on the School Pact. The latter must not be ignored and pushed aside.

[Question] One of the essential criticisms addressed to Minister Damseaux is the absence of coordination.

[Michel] We have never opposed coordination, provided it be with qualified interlocutors, meaning that it not be limited to trade union representatives alone. Damseaux and I support contact with the entire education community (teachers, naturally, but also parents). But all educational communities must play the game fairly and not be guilty of political maneuvers. It is extremely unhealthy for a member of the parliamentary majority to frequently give the impression he is using his position as head of an educational community, which is honorable and representative, to try to destabilize the political partner.

Universities

[Question] And yet, you both reacted strongly and even dryly to partners and ministers in a parallel domain, that of the universities and research.

[Gol] I maintain that position. On the occasion of the budget audit, research, the universities and education in general cannot be the target of new measures. With taxation, the universities and research will be essential elements of the "plus" that we can give to the government's policy in working out the 1988 budget. Actually we want to include a prospect of hope, the "new wind" of which you speak.

[Question] A great deal is expected of you regarding taxation.

[Michel] We shall be precisely on our marks at the congress. A big step has already been taken in the 4-year period. In addition, we are asking for decumulation during this legislature so that it may be applied to 1988 revenue.

[Gol] Yes, yes. A decumulation of an unjust and immoral tax done totally and unconditionally (meaning without any limitation or revenue) and adopted by

Parliament before the 1989 elections because they cannot trick us twice. I cannot forget that we Liberals managed, under the law program of 9 August 1980, to complete the decumulation up to 2.5 million within 3 years. Scarcely had we left the government in October when our Social Christian and Socialist successors buried that provision. That is why we now want to make the decumulation irreversible and under this legislature!

[Question] But taxes do not consist solely of decumulation.

[Gol] We want to set a maximum average rate of 50 percent on income from work. Therefore, no one will have over half of the income produced by his work taken away by taxation. Moreover, that is a rule that exists in most civilized countries.

After doing away with the cumulation and correcting the average tax rate, we shall be able to proceed by phases to other reforms: reducing the number of rates -- and the rates (we completed an initial phase in 1985) -- a new increase in the minimum subject to taxation and drastically reducing the number of taxpayers who must still file a statement.

However, it is obvious that we must at the same time maintain our budget course. That is why we propose to do away with or reduce fiscal spending (by combining and simplifying the many abatements by "function": the social purpose, the family purpose, construction, and so on) and by stretching out measures in time. Except in the case of decumulation, they will happen once.

[Question] Yes, but that represents \$27 billion in losses!

[Answer] The net balance to be financed by the government will be gradually reduced each year until, by the year 1990, we are under a 5-percent deficit compared with the GNP. At the same time, the Planning Office provides for an extraordinary surplus in the balance of regular payments, which will make the budget deficit much more painless than when the country loses its substance vis-a-vis other countries. There is consequently room to maneuver in order to carry out the decumulation and embark upon the tax reform before the end of the legislature.

Employment

[Question] Will the sudden aggravation of unemployment not force you to review that priority and make new choices?

[Michel] There is no incompatibility between a reduction in taxes and a revival of employment; on the contrary. By reducing taxes, we maintain investments and purchasing power and therefore, jobs, in a lasting fashion.

Having said that much, while I can understand that jobs would be artificially created, the government will eventually have to come back to less perverse measures that provide more hope for young people. We must be able to offer them something more than TCT and CST. Doing away with public investments that inevitably create jobs, while at the same time artificially creating

others is actually a dangerous policy. One would support employment better by a better and more selective use of public investments using large amounts of labor, such as housing redevelopment, major sewer projects, and so on.

[Gol] Forestry also.

We are also calling on our social partners to make their own interpfessional agreement. They have pledged to exert a driving force on jobs.

Priorities

[Question] What about the audiovisual field? Does it remain your war horse?

[Gol] The law was passed and will be carried out as rapidly as possible within the framework of the majority agreement. The order of the French community must be adopted without any delays or excuses (ill-considered haste, it is already too late, and so on) and we have the right to appeal to the loyalty of our partners. Is in that same spirit that we ask them to approve bills on refugees and the militia, which are part of a general balance in carrying out a governmental accord.

Hour of the Socialists

[Question] Do you remain faithful spouses of the Christian Socialists? Is it not yet the Socialists' hour?

[Michel] We remain loyal partners, convinced that we must maintain this coalition until the end of the legislature.

[Gol] May I? No....

[Michel] I know what you are going to say, but....

[Gol] Well, then, forget it....

[Michel] It doesn't bother me. You can say so after all because it is true.

[Gol] I will therefore say that I find the phrase about the "Socialists' hour" disagreeable because it means two things: first of all, that someone has arrogantly assumed the right of choosing one's partner and setting the time of the invitation, saying that "it is so-and-so's hour or time for another," and one is tempted to respond by quoting Victor Hugo's verse: "The future belongs to no one, Sire; the future belongs to God." And next, that it is a problem that should not be posed. The current coalition has a program, is carrying it out and intends to proceed until the end of the legislature. Consequently, there is no variable hour for the possible arrival of a third party. It is very dangerous to play with that concept because the PSC has ended up confirming, even in the eyes of your newspaper (I read a headline "A Quarter to Two"), that it has in mind the idea of a return of the Socialists and that it is but a question of the hour and minute. For us, the hypothesis of a change in the coalition is not posed.

[Question] It is often said that the real head of the PRL [Party of Liberty and Reform] is the vice prime minister and not the president of the party. Do you have the impression today of having demonstrated a united tandem that nothing can oppose?

[Michel] I do not know whether we had to make a demonstration. We each have a very precise role to play. Jean Gol inspires countless things by virtue of his creative imagination, while the party undoubtedly benefits from my ability to work in the field, to go to the rank and file, to rally a certain number of values. We are very complementary.

[Gol] I was irritated but also saddened to read remarks about possible dissent, remarks with which I disagree. There is not the shadow of any difficulty between us and I wish my best friends would enjoy such an understanding between leaders with different roles.

[Question] We were able to get you two together. Could we also have put Mr Defraigne with you?

[Gol] He also plays his role. Unfortunately, he was elected president of the Chamber by a coalition agreement at a time when that coalition had special powers on its program. With Defraigne at its head, one dares not imagine the splendor of Parliament if, in addition, he had enjoyed full powers.

[Question] One last question: Will there be an anti-PSC tone at your congress?

[Michel] Absolutely not. There will be the tone of a liberal party that will affirm and further define its priorities and update its program. I cannot imagine any major change in direction because we have manifested great coherence in power. We have never set our sights higher than we were capable of achieving (unlike some of our partners, who are annoyed when they are forced to go under the bar). One could call that "real politik," but it is also a question of honesty. In politics, a triumphant attitude is an error and even a deception because it rouses false hopes among the citizens. We do not want to deceive people. Jean Gol has again taught us the "politics of truth."

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CSO: 3619/34

WALLOON SOCIALIST PARTY ADOPTS MILITANT TONE AT CONGRESS

Brussels LE SOIR in French 17 Feb 87 p 2

[Article by Ch. B.]

[Text] On the one hand, the agenda called for elections of the party's chairman, vice-chairman, and bureau, and, on the other, there was the inaugural speech from Guy Spitaels, on the occasion of his fourth return to the top post in the Socialist Party. No debate or discussion was possible, because there was only one candidate, and he was strutting: the chairman had done better than he had 2 years ago, when he won 94.6 percent of the votes. The score for this year: 95.54 percent, or 536 votes for him and 25 abstentions. The tone, though, was still harder than in the past passages at arms with Martens VI. And there were some significant developments in the upper ranks of those elected to the party bureau.

Every second year, at each mandatory congress, the hit-parade inevitably gives rise to numerous debates and corridor caucuses, not to mention some snide echoes. Even so, it happens that what may look no more serious than backstairs gossip and turf quarrels among local barons can take on a degree of political significance that can, so to speak, read the temperature of the party's rank and file.

Once again, it turned out that "nice-guy" Philippe Busquin had practically no enemies in the apparatus: with 547 votes, he came out once again on top of the process of bureau seat assignments, just ahead of a carolo-vervietois tandem consisting of Yvan Ylieff, burgomaster of Dison and head of his group in the regional council, plus Jean-Claude Van Cauwenberghe, whose muscular management of the country's black capital is generously recompensed: in 2 years, he rose from thirteenth to second place.

Alain Vanderbiest, the party whip and a scholarly man, does not seem to suffer over-much from his chronic bouts of vague yearnings: he too has risen in the hierarchy—he is now fourth man—just like Andre Cools, who shows that he is back in form again.

Raymond Dury, the European deputy, and Robert Collignon, chairman of the "Heyssel" committee, are also well thought-of, but most significant is unquestionably the disgrace that fell two of the most influential personalities in the apparatus of recent years: Jean-Marie Dehousse, who barely squeaked through to re-election-- despite his "unionist" presidency of the Walloon regional executive until 1985--and, above all, Ernest Glinne, Spitaels' ill-starred rival in 1981 and who, this time around, was not even re-elected.

Of course, we should not make more of these vagaries than they warrant. The balloting procedure--pick 22 names from a list of 33-- was more of an "unpopularity" contest than one of popularity. The fact remains, though, that the present party line, despite its inability to return to power is open to no challenge from the membership.

The rank and file has loudly confirmed that by bursting into sustained applause at several significant passages of the presidential speech, generally those that projected the more militant intentions rather than those of the current majority, or even what one might call a taste of revenge for the way the socialists were treated. "What a crime! What a ghastly mistake, to try to cut our already fragile Wallonia in twain..." "Today's majority will be tomorrow's minority. It may well be surprised at the results of its actions." "Any future partner must be aware, from the outset, that the PS will be neither a naïve lick of its wounds nor a part-time trouble-shooter. We won't be handing out any presents, we're not going to be angels. They were impossible to deal with. No more goodies." Just to show that anything can happen came a sly and pithy comment from the locker-room: "Luck for the government that it won't be meeting this Valentine's Day weekend, because if it did, the French-speakers would have been in for a royal screwing in their castle..."

The Flemish Machine Moves Onward

So much for the ambience. Basically, Guy Spitaels simply picked up the threads of his standard speech, the one he has been making for 3 or 4 years, occasionally magnifying the text for slow readers. Lashing out at the "five basic political errors" made by the majority: lying, arrogance, blundering, lack of high seriousness, and the Francophone renunciations--Spitaels at one point expatiated on the "budget mess" and the "string-pulling worthy of a Third Republic radical." Waxing ironical about the latest vagaries of the Community--Fourons, the Brussels borderland, the Sainte Catherine and Saint Sylvester agreements--he announced that "the Flemish machine is rolling right along," and that "the French speakers are still not properly protected," confirming the conditions he has laid down for his party's participation in the work of the joint Parliamentary commission on reform of the State [see LE SOIR for 10 February], which constitute in fact a statement of non-receipt.

In conclusion, the chairman harshly stigmatized the inconsistency of the governing team—shouts interspersed with apparent second thoughts—and laid down his conditions for the day when the Socialists' hour will strike: an economic and social policy for growth and enhancement of federalism and the defense of the interests of Brussels and Wallonia. Along the way, he pledged help to certain population groups: teachers, "who need calm and stability," and workers for the government services, for whom "it would be wise to adopt different measures for helping them recoup their purchasing power."

6182

CS0: 3619/29

WALLOON LIBERAL PARTY CONGRESS MARKED BY CONTINUITY

Brussels LE SOIR in French 17 Feb 87 p 2

[Article by Janine Claeys]

[Text] It was a "lovely" congress at Louvain-la-Neuve, in that it ended , after a day and a half of debates and speeches, with unanimous approval of two resolutions. A nice congress, again, because the smooth rapport between President Louis Michel and Deputy Prime Minister Gol was not even slightly ruffled.

Aside from that, this was a congress with no surprises, maybe even an absence of novelty, which might be interpreted as evidence of constancy... The Liberals repeated that the top priority must continue to be a thorough comb-out of government spending, economic redeployment, and creation of new jobs, and that this fresh-start policy must be followed through, right up to the end of the term with the same coalition. In other business, the PRL approved a tax resolution that can claim the advantage of spelling out its goals clearly, along with the vital deadlines they must meet for implementation. In that connection, the joint income of married couples (decumule) must be addressed during the current term of the legislature.

The single note of discord noted during the Sunday morning plenary session came when Edouard Klein, Brussels Deputy and the party's political secretary, tried to get more clarification on the Liberal desire to establish a Brussels assembly that would bring together Flemish and French-speaking citizens: "Useless!" was Gol's retort, because the resolution expresses the desire to see "the" third region come into being. The deputy Prime Minister won, even though some Brussels spokesmen argued that Edouard Klein was right: the third region having become a dream that will be talked and argued about until the end of time, it would be wiser to focus on some more tangible unmet need.

Unquestionably, there were a lot of people astonished at seeing a modicum of attention directed toward Community problems in the final resolution. "Solidarity with the French-speaking representatives of the suburbs and of Fourons," a longing to see all French-speaking citizens united, coupled with a pledge to do everything possible to re-establish genuine concertation among French-speaking parties—President Michel also promised to take steps toward that end as of next week—an urgent request to see "fair and reasonable" awards of public contracts with the RTT and the national defense investments, in compliance with the government's decision to liberalize the rights of inheritance in Brussels.

There was one gentle barb as well, aimed at Interior Minister Joseph Michel: "We shall never, under any pretext, countenance the fusion of communes in Brussels under conditions other than voluntary."

School Pact Among French-Speakers

Aside from this desire to foster a new French-speaking concertation, the most original proposal reached by the congress has to do with education, despite the fact that it had relatively slight chances of passing: not only did the PRL want to see resumption of the work of the national commission on the Education Pact, but it went so far as to suggest an agreement among the French-speaking community and the major Francophone parties. We would emphasize once more that this party calls for more autonomy for school districts and suggests combining the "qualities" of traditional and innovative education.

Certainly one must also emphasize the fact that, while pressing for budgetary restraint and "keeping the cap on spending," the PRL swears that it will never accept further cuts in spending on certain specific sectors: education, research, public investment to create jobs—all areas that affect the poorest and neediest of citizens: the victims of war and pensioners.

As for taxes, there was nothing really new, but a little clarification: the vote on the tax reform bill must be enacted soon enough to cover 1988 revenues. This reform includes complete reporting of all income, a similar tax system for the independent taxpayer whose spouse contributes to their joint income, establishment of a maximum tax rate of 50 percent of income from employment, a reduction in the number of tax rates for individuals and a gradual reduction of these rates, and raising the minimum rate. On the other hand, the PRL calls for tax simplification, drastic reductions in the number of taxpayers required to file tax forms, adjustment of the real and personal property taxes, designed to encourage construction. The essential goal, though, actually seems to be total abolition of the joint return for married couples, since the PRL demands that this be done during the present legislative term.

Will the formula survive? In any event, in response to the recent remark by Social Christian Party president Deprez ("we have to put some heart in with the numbers", the PRL president quipped that "We would do better to put some willingness in more hearts," Louis Michel again tossed a (very small) pebble into Michel Hansenne's back yard to remind him that the Employment Minister ought absolutely to adopt measures providing for an initial tax indemnity for some of the long-term unemployed.

Was it a great congress, this one at Louvain-la-Neuve? It was very well attended, it helped clarify some thinking, and it demonstrated that the PRL still wants the 6th Martens term to survive. Even so, it will not be a landmark for the century: it proved only one thing, to wit: that there were few discordant voices in this party—maybe not quite enough discussions or arguments among the faithful in a party run by very tough bosses.

WALLOON SOCIAL CHRISTIANS SET POLICIES AT CONGRESS

Brussels LE SOIR in French 24 Feb 87 p 2

[Article by Ch. B.: "The PSC [Christian Social Party] Puts Up Its Signs: Not a Real Turning Toward the Left, But a Warning"; first paragraph is LE SOIR introduction]

[Text] "The congress assembled today is not here to condone budgetary irresponsibility or to tamper with alliances." As he hammered that point home in his closing address to a congress he had masterfully carried along with him despite a few flareups, PSC chairman Gerard Deprez clearly set the tone of this gathering. He spelled out his party's tactical position, and warned that it would be marking out its turf on the eve of the battle over the budget, which is expected to be hard-fought. "What do we want to do now?" he asked. "Ought we to disavow all we have done? Certainly not. Correct what needs correcting? Yes. But, most of all, we shall have to do more, and do it better."

The budget bill is an all-encompassing program. The French speaking Social Christians summed it up in six chapters of a final motion unanimously approved by the delegates and up-graded by the chairman Jean-Pierre Grafe, to the status of "imperative mandate" binding on PSC MPs and ministers. Their marching orders now read as follows:

1. To push for a bill of rights for workers covered by company insurance plans on a par with that available to government workers, and establishing the right of every citizen to insurance and Social Security benefits as of the date on which his application is duly examined and approved. This same rule will apply to family assistance, construed here as children's rights, plus recognition of the right to public assistance despite administrative red tape
2. To oppose handing Social Security over to the private sector, and to thwart restoration of a welfare system which would involve the government in "secu" (Social Security), which could be cut only as a percentage of GNP, and any supplementary benefits equal to or lower than the guaranteed minimum wage be exempted from taxes, and that any surplus of funds found in any branch of Social Security be put to use, as top priority, in stabilizing the overall balance of the system and in programs designed to find work for those most in need;

3. To veto any further cuts in the education budget, to rescind all measures that have undermined the quality of education, equal opportunity, or freedom of choice, and to assure these educational innovations adequate funding to keep abreast of population growth. While calling for "better management of the Department, the PSC refuses just as adamantly to see the orderly process of improvement distorted to the point where the entire undertaking would be imperilled. Social Christians also challenge the notion that education ought to be a purely local concern and, in any event, refuse to be associated with it until such time as constitutional guarantees of equal treatment for both school systems are in place, including freedom to choose between them, official neutrality toward both school systems, and the right of every child to a moral or religious education funded by the State. In this same context, the PSC also demands "a fair and equitable" financial arrangement for the French-speaking community;

4. Implementation of the "Maystadt Plan" to provide incentives for advanced scientific research;

5. Modernization of public services (the Lutgen Plan); and

6. Tax reform abolishing the marriage penalty [decumul integral] to help families with children and to lower the tax levied on earnings derived from employment.

Sidling Toward the Center?

What stands out from all of this, in view of the impending political deadlines is, first of all, the fact that Deprez, in his speech, stressed the point that the PSC considers itself bound to the present coalition under the mandate given it by the voters. There will be no scuttling of alliances, but notice is served on the Liberals that they must "reckon with" Social Christian exigencies.

He had another warning: if we let the Flemish get their way, Brussels communes would be left with nothing to do but take the census, keep the vital statistics records up to date, and make sure the cemeteries are properly tended."

The high point of this congress, though, was unquestionably the unanimous vote for a "Commune Autonomy Charter," derived from the European Community autonomy—to which Belgium is a signatory. The FDF points out a number of basic principles, such as the absence of eligibility condition or of restrictions on voting rights based on native language or level of education, or the authority of communal councils to hold commune meetings of citizens, or to alter the boundaries of communes without the consent of the commune. That was the paragraph of the charter that drew the loudest applause:

"The law must guarantee that the will of the people prevails. As a consequence, any delegate who switches party allegiance will be automatically considered to have resigned." Georges Desir rose to say that he had long been considering submission of a bill they would do just that.

The FDF speakers, including Vice President Gosouin, were more than eager to criticize the other French-speaking parties, and to castigate them for their "craven treachery in making one compromise after another." The socialists did not get off scot-free, either, "because Mr Spitaels took his sweet time before he noticed that the French-speakers were getting screwed by the Flemish as he had said last week" and "besides, the socialists passed the 1980 laws."

Even so...yes, the FDF is hoping to build up concerted effort among French-speaking citizens of all parties, but it is worrying a lot about the "hare-brained notions that are the dregs of the electoral system."

As anticipated, the French-speaking Social Christians are also planning to do some shifting of emphasis, and to spell out a list of tabus: No more funding cuts in national education or Social Security benefits; final approval for selected programs dear to the hearts of certain PSC members of government, to wit: Philippe Maystadt and Guy Lutgen. And last a tentative (by standards of previous congresses) overture in the direction of local oversight for schools, which the party has consistently said it does not want, but which it might be persuaded to go along with if the right conditions could be reached for relegating final settlement of the issue to long drawn-out and painful negotiations within the French-speaking community, first of all over ideological guarantees and, that done, with Flanders on the issue of funding.

Drifting left? There is no indication of that. In fact, it would seem that the PSC gained mainly by pressure from its rank and file, teachers and..."social elections," to raise the stakes for its Liberal partner, with a view to budget stringency and to framing the 1988 budget. Implicit in all this is a message: we may be married, but not necessarily for life...

6182

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FRANCOPHONE DEMOCRATIC FRONT ON FUTURE OF BRUSSELS

Brussels LE SOIR in French 24 Feb 87 p 2

[Article by Janine Claeys: "The FDF [Francophone Democratic Front] Is Swinging Into Action for Local Elections: Vows To Shield Brussels Against Flemish 'Musts'"; first two paragraphs are LE SOIR introduction]

[Text] "Our 1988 local elections campaign starts today. We spurn any notion of reducing the political role of our small towns." There you certainly have the key tenets held by delegates to the FDF's local council, which met on Saturday at the Auderghem Cultural Center. More specifically, the FDF spelled out its opposition to a proposal to incorporate Brussels' communes into the City of Brussels, as well as its aversion to the eligibility provisions that the Flemish want to see adopted.

Saturday's congress, if it did nothing more, served to prove that the FDF, which wields very little clout at the national level, is still important in the 19 communes, large and small, close-in and outlying. Coming in the very middle of the congress season, it may have done some good.

There were some 200 of the 262 FDF elected delegates on hand. Nor did party leaders fail to press their point: "We still represent 25 percent of the elected delegates in Brussels, and that makes us the number-one political party here."

Georges Desir, mayor of Woluwe-Saint-Lambert, who chaired the congress, vigorously defended the "non-gigantic" communes, and noted that at the time when certain people—not all of them Flemish since among them was also the "ineffable Joseph Michel"—would like to incorporate the communes into the City. Abroad, they are aware that huge administrative organizations pose problems, and are trying to get back to smaller entities. At this point, Woluwe Mayor Georges Desir shouted: "Thank you, Mr Van Impe! By treating French-speaking citizens as immigrants, you have aroused some of our French-speaking inhabitants from their slumbers."

Chairman Clerfayt elected not to take the floor, choosing rather to sit in the assembly along with the elected contingent from Rhode-Saint-Genese. That meant that the only people on the dais would be junior members, all of them pledged to Georges Desir: Gosuin, Cornelissen, Boelpaepe, and Martine Payfa...with one single exception: Rene Caphart, the eccentric chairman of the Kraainem CPAS who was dismissed once and was promptly returned to office, and who fathered a "motion for solidarity among elected representatives from the French-speaking region, which has already been signed by more than 500 sitting members. He let it be known that even General Close had written him an encouraging and supportive letter, because of his long opposition record...and that the next meeting of the commune council, which would vote on and approve his motion would support the Flemish school initiative.

There you have a congress dealing with the real issues, unlike those of other recent party congresses: FDF didn't have much to say about national policy, though it criticized the plans laid at Val-Duchesse, Saint-Sylvestre, and sundry other saints for frittering away local autonomy. FDF was well advised not to announce itself at this juncture as a potential governmental party. Even so, its message to the communes will surely have boosted morale among its representatives, including those facing elections a year and a half hence. It will surprise nobody. The doctrine preached by all the "great men" in politics says that the success of any political party must begin with assiduous cultivation of the grass roots—meaning the communes—on foot and door to door.

6182

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SORSA REJECTS EC MEMBERSHIP, EX-MINISTER URGES JOINING COUNCIL

Sorsa Sees Cooperation Necessary

Helsinki HUFVUDSTADSBLADET in Swedish 3 Mar 87 p 2

[Editorial by Jan-Magnus Jansson evaluating Prime Minister Sorsa's judgment of Finland's relationship to the EC: "Sorsa, Finland and the EC"]

[Text] Last week Prime Minister Kalevi Sorsa spoke in the university's General Studies series about Finland and the international situation which, on several points, deserves comment. The speech mainly consisted of a broad expose of the situation regarding disarmament negotiations after Reykjavik and about Finland's own policy on disarmament questions.

Particularly noteworthy was Sorsa's assertion that Finland has put the president's initiative on confidence-building measures within the northern ocean areas "on its foreign policy agenda." A follow-up to the president's proposal is in place; this kind of leadership should reasonably pave the way permanently for our foreign policy. As a forum for measures on the question, and besides negotiations in the UN and bilateral negotiations, the prime minister mentioned primarily the continuation of the Stockholm conference, as far as it is agreed to at the ongoing follow-up meeting in Vienna. The initiative would in this way be advanced through the framework of KSSE. That is also justified since it technically involves confidence-building measures and KSSE has so far proven to be a negotiating forum in which results can be obtained.

Otherwise a recurring theme in the speech was Finland's desire and ability to choose its own solutions to its problems. Finland, said the prime minister, should not get into a situation in which others inform us of dangers and threats which exist in our surroundings. We should determine on our own what our security is and what it demands. That is a variation on the classical main theme in our foreign policy. But it cannot be repeated too often.

What mainly attracted attention in the speech was that Sorsa went into the current problems posed by the new phase of economic integration of the West.

What he said was not in itself new or surprising; but it was the most penetrating position which has yet been taken by a politician.

Sorsa began his expose by asserting that changes in the economies of the different countries, and the need to utilize the available technology as effectively as possible, have led to a new phase in economic relations between East and West in Europe. That is the background against which one should see discussions between the EC and SEV [Soviet Council for Mutual Economic Assistance].

The opening which has taken place between East and West Europe in the economic field is obviously also the reason for the sharpest profiled statements in the prime minister's speech. Specifically he said that much has changed since the time when the EC was a part of the political opposition between East and West. From Finland's viewpoint it is good that we can now build cooperation between different groups on the basis of common economic interests, and in that way ensure the security of Europe.

As correct as that is, can one ask the question whether fully expanded political cooperation between the EC states and strengthened supranational striving in the political arena would appear as unproblematical? In any case would the neutral states' positions as small islands between the blocs be more critical in such a case than in a Europe in which nation states still retained their sovereignty?

The distance is certainly great to such a condition. And Sorsa is certainly correct when he points out that the EC program met with great difficulties in being realized as soon as it collided with national interests.

When the prime minister at the same time asserts that membership in EC is excluded for us, and that in the future our relationship to the community will be built on our neutrality, it is obvious. But at the same time, that is the core of the issue. Our possibility to claim our economic interests in relation to the EC must depend both on our own resolution and the other party's understanding of our position. A lot also depends on how long the other neutrals in Europe are able to adhere to the same line.

Sorsa's outline of our situation is optimistic, but previous experiences with our ability to deal with the integration problem makes a certain self-confidence justified. Whether the need for cooperation and reciprocity in Europe is growing at the same pace as the inner integration within the blocs, there are realistic possibilities that we will succeed in our efforts.

Deva Leader Opposes Cooperation

Helsinki HUFVUDSTADSBLADET in Swedish 2 Mar 87 p 23

[Article from FNB: "Halkola Warns Against EC Cooperation"]

[Text] The chairman of the Democratic Alternative, Kristina Halkola, warned against increased dependence on the Western powers. On Sunday in Helsinki she referred to Prime Minister Kalevi Sorsa's statement according to which Finland should participate in developing West Europe's future. Increased cooperation with the EC does not serve Finland, but big business. In the competition for

Western markets, small firms die, while the large grow stronger. These large firms do not concern themselves with employment, said Halkola.

Melin Sees Growing Integration

Helsinki HUFVUDSTADSBLADET in Swedish 1 Mar 87 p 13

[OpEd article favoring Finland's adherence to the EC by Ingvar S. Melin, former trade minister: "Open the Window on Europe"; first paragraph is Melin's introduction]

[Text] During a recent visit abroad I became aware that schoolchildren in Europe learn from a map of Europe on which the countries are divided into two groups, which are distinguished from each other by different shades of color. It is partly a matter of countries which are members of the Council of Europe, and partly those which are outside this group of 21 states. Finland is the only parliamentary democracy and market economy which is not a member of the Council of Europe. The map shows Finland in the same color as the socialist countries. Finland's position has often demanded a better clarification by those who wish to correct the erroneous picture which the map presents.

When the EC, through a reform of its own decision-making process, gave up the right of veto for member states and now makes decisions by a qualified majority, this created conditions for a more dynamic era.

Within the EC, competition from the United States and Japan is seen as a great challenge. Through ambitious investments in research and development programs for high-tech firms, it is desired to prevent Europe from becoming the first colony of the second industrial revolution--as was mentioned in a report to the EC parliament.

The demands that this development places on Finland are very great. A romantic antitechnical attitude will not suffice, an increased spiritual and material investment is needed to increase technical knowledge and raise the level of technology. The important aspect of this development is that it is not only a few business leaders and extrovert professors who know what is happening, but even the political decision makers can follow this development.

Regis Debray, a close confidant of French President Francois Mitterand, wrote a thought-provoking book in 1985 entitled "The Imperialists Against Europe," in which he said that the world has never been more complicated, or the predominant discussion more simplified, and seldom has the difference been greater between the situation in the world and our own mental situation.

Against the background of what is happening in many central areas in Europe, the argument for Finland's adherence to the EC should be given increased weight.

Rolf Edberg wrote in his book "...och de seglade standigt" (...And Still They Sailed) about the history of European civilization, "In a remarkable mixture of surrender, desperation and hope, West Europe began after the war to seek

some form of unity. It was the vision of writers, philosophers, priests and statesmen over the centuries being restored to life. While Romans and Germans, Celts and Slavs massacred each other through the years, they never stopped to dream together about some form of unity."

The Frenchman Pierre Dubois at the beginning of the 1300's called for a federation of "sovereign, independent states with equal rights" in order to meet the threat from the Turks and Islam. The idea stubbornly returned.

After the traumatic experience of World War II the idea of unity had reverberations and the Council of Europe was born in 1949. The Council of Europe has become an organ the primary aim of which is to protect freedom and human rights.

Only Finland Outside

A basic precondition for Finland to participate successfully in deepening economic integration is that we can also enjoy the same advantages as the other neutral countries. This goal has been attained through Finland's association with EFTA in 1961 and through the 1973 free-trade agreement with the EC.

In one important respect, however, we have not been sufficiently active. Finland is the only European market economy which is not a member of the Council of Europe. The matter has been considered unimportant. But the fact that Finland is outside is noteworthy enough.

Hyperneutral Switzerland, which for reasons of neutrality has not chosen to join the United Nations, considers it consistent with its interests to join the Council of Europe. Finland should therefore not be able to afford to remain outside the council, which has largely come to represent an organization which protects human rights.

Since the members of EC have created a directly elected European Parliament the Council of Europe no longer deals with questions of sensitive political cooperation in Europe.

On 4 November 1950 ministers from 15 European countries met in Rome (Finland was not represented) and signed the European Convention on Human Rights, which has been designated a milestone in international law. The convention became effective on 3 September 1953.

According to the convention the task of protecting human rights is divided between two organizations: (a) the Commission and Court of Human Rights, and (b) the Committee of Ministers. This last organization consists of the foreign ministers of the member states or their deputies. The advisory assembly consists of 147 representatives of the parliaments of the member states. Sweden has 6, Denmark and Norway have 5 each and Iceland has 3.

Special Obligations

The European Convention is an international treaty--a kind of agreement--

according to which states undertake special obligations. Stipulations in the convention permit an individual, who can prove that his rights have been violated, to win redress by starting legal proceedings against the government that he believes to be responsible.

Governments are responsible for seeing that those under their jurisdiction are protected in accordance with the convention concerning their human rights and freedoms.

These regulations were proved not to be dead letters when the Council of Europe decided to exclude Turkey and Greece from membership when crimes against human rights in these countries could be confirmed.

Also Our Ideal

This has often made it necessary to carry out reforms to be sure that laws were not in conflict with the regulations of the convention.

The European Convention provides a common standard for people in 21 European countries with a total population of almost 380 million. For that population there is a common court in the form of the European Court of Human Rights.

When the question of Finland's membership in the Council of Europe was discussed last summer in several newspapers the Foreign Ministry maintained that although Finland is not a member of the council, we have been invited to participate in the work which takes place within the council.

The council is very important as coordinator of certain legal, cultural, social and educational matters. Member countries have concluded about a hundred agreements in various areas which give direction to national legislation. For example Finland has assisted in the European Cultural Agreement, an agreement on extradition of criminals, the agreement on patent applications, etc. However, only members of the Council of Europe can participate in the convention on human rights.

But since the council's ideal on human rights is the same as ours, we should take the step to membership.

Foreign Ministry [UM] Surprises

Finland has a formal observer status in the Council of Europe. According to the head of the UM political section, Finland's joining should not be totally excluded. A joining, however, would assume a broad political initiative. It would require increased cooperation on the part of the Riksdag. Therefore it should have extensive support in the Riksdag. This has never been present.

This statement by the political section is surprising, to say the least. The UM is apparently waiting for an initiative from the Riksdag with broad support on an important foreign policy question. In that case it would be the first time during Finland's period of independence that the Riksdag took the initiative in foreign policy.

According to our form of government, the president decides "about Finland's relations with foreign powers" supported by the foreign minister. From our own history we know what a firm grip Presidents Paasikivi and Kekkonen had on foreign policy. And there is no indication of a change in this procedure during Koivisto's time, even though the Riksdag has come more into the foreground.

Public opinion is decisive for all policies. Both Paasikivi and Kekkonen, especially the former, had to fight hard to get public opinion behind them.

One of the classical practitioners of foreign policy, Henry Kissinger, said in 1973: "No foreign policy--regardless of how astute it may be--has a chance for success if only a few support it in their minds, and none in their hearts."

Since the UM is seeking broad political opinion on the question of the Council of Europe, the convening of the Riksdag will presumably be meaningful in terms of a coming commitment in Europe.

9287

CSO:3650/71

COMMENTS ON SOVIET LAND ACQUISITION IN ATHENS SUBURB

Political Propaganda Center

Athens EMBISTEVTIKO GRAMMA in Greek 4 Feb 87 p 4

/Text/ Two years ago when we wrote that the Soviet Union was thinking about setting up a big propaganda center in Greece that would be able to cover the Middle East region, the newspaper PONDIKI relentlessly mocked up and described us as being "mythomaniac anti-Soviets." Today, however, the local Kalandri newspaper MAKHITIKI FONI has confirmed our statement. According to this newspaper, Mr Nikos Perkizas (PASOK), the mayor of Kalandri, "secretly" approved "a municipal council decision" according to which a huge area of land is granted to the Soviets on which a big center will be built. MAKHITIKI FONI also wrote that services whose activity would exclusively deal with the Middle East, Turkey and Israel would be housed in this center.

For the record, we note that the operations of big-time building contractor Mr Giorgos Bombolas, also the publisher of the pro-Soviet newspaper ETHNOS, were recently housed in privately-owned magnificent offices in Kalandri. Moreover, Mr Bombolas' publishing complex has been set up in Metamorfosi in Kalandri.

Questions Asked

Athens EMBISTEVTIKO GRAMMA in Greek 25 Feb 87 p 2

/Text/ How did the Soviet Government manage to acquire a 28,000-square meter "plot of land" together with a villa in Athens, specifically in Kalandri, having a straight line view to the Greek Pentagon and the SDAM /Military Command for the Eastern Mediterranean/ where underground NATO installations and the navy communications network are housed? Through Contract No. 3378/30-12-86 of notary Platon E. Kharilaou. The value of the real estate comes to 231,624,000 drachmas.

The contract was signed for the account of the Soviet state by Vladimir Aleksandr Ilitchin, head of the legal service of the state committee on foreign economic relations, a resident of Moscow, and Anatoli Mikhail Kulatchenko, an engineer and head of the Soviet state firm Tekhnopromexport in Athens, a resident of 22 Vaktiriani Street in Zografou. Moreover, the purchase of real estate valued at 312,660,000 drachmas was made through Contract No. 7125/3-12-86 of Athens notary I.V. Vogopoulos (41 Khar. Trikoupi Street) enacted in Palaio Psykhiko

in the Soviet Embasst building. The plot is located on building square 649-650-651 of Khalandri. The plot has an overall size of 20,158 square meters while four-sixths of the plot is transferred.

Two contiguous pieces of real estate valued at 240 million drachmas, the first being 7,283 square meters and the second 556.94 square meters in size, were also purchased through Contract No. 3393/22-12-86 of notary Platon Emmanouil Kharilaou Perakis (5 Khar. Trikoupi Street).

Non-Payment of Taxes

Athens EMBISTEVTIKO GRAMMA in Greek 4 Mar 87 p 5

/Text/ The Soviets are refusing to pay a transfer tax on the real estate they purchased. As is known, the previous issue of EMBISTEVTIKO GRAMMA made known the purchase contract. The matter is now being examined jointly by the Ministry of Foreign Affairs and the Ministry of Finance but, of course, the request is not about to be satisfied since the great value of the real estate involved would deprive the Greek state of an equivalent great amount of tax revenue.

5671

CSO: 3521/104

PAPANDREOU PROBLEMS ANALYZED, NO PRODUCTIVITY SEEN

Charisma Seen Unhelpful

Athens EMBISTEVTIKO GRAMMA in Greek 25 Feb 87 p 10

/Text/ One of the most important gauges of the current political situation in the country has once again come into the limelight following a series of actions by the government and by Prime Minister A. Papandreou personally. This has to do with the PASOK's president's inability to come up with a genuine government achievement.

Characteristic of this inability are the recent changes in the ERT /Greek Radio and Television/ and the issue of major projects. With regard to the ERT, a successful director (both from a financial and program standpoint) was removed without any reason whatsoever that might have any connection with the government's achievements. With regard to major projects, the government confirmed its past mistakes but also its lack of serious planning for the future when it dropped the issue of paying off, in foreign currency, debts that would ensue in "the country's productivity which will move forward at much more rapid rates!"

The present prime minister undoubtedly has a lot of political charisma. Rhetorical eloquence in public meetings, television presence, personal charm and tactical political capabilities are just a few of Mr Papandreou's universally recognized virtues.

All of these virtues do not, however, change the political reality that we referred to previously.

This has to do with a reality that has marked Greek political life since 1982 and that will continue to influence it so long as Mr Papandreou remains in politics. This is so because errors had already begun to be made from the time of the government party's "golden era" (that had at that time full control over handling affairs) in 1982 when the prime minister committed the basic error in following an expansionist economic policy immediately after elections. They continued with bad choices made with regard to the ESY /National Health System/, major projects (that were cancelled), education, the purchase of the century (where the Turks are going to get F-16 aircraft 1 year earlier than we are just because of the bad handling of the situation) and a host of other matters.

Until just recently, Mr Papandreou's virtues (rhetoric, charm, turnabouts, etc.) and the favorable and ideological position he was in after 1981 permitted him to cover losses created by successive failures in achieving governmental tasks.

Now, however, according to general agreement, the government and prime minister personally no longer have any margins for maneuver. If they do not come up with some kind of achievement by the time of the end of their term of office they will have no political future. Thus, Mr Papandreou's personal weaknesses in substantively confronting the country's real problems are making themselves known in one of the most determining gauges in our political life. This is so because they essentially led the government to its present difficult position and they threaten to change the "charismatic" presence of the prime minister from a big trump card into a shorcoming (if, for example, ND launches into sloganeering of the type "a good demagogue but an unsuccessful governor."

We must note that up to now nothing suggests that PASOK's president has changed or is about to change.

No Handling of Partisan Problems

Athens EMBISTEVTIKO GRAMMA in Greek 4 Mar 87 p 3

/Text/ Prime Minister A. Papandreou's occupation with the government's activities and the reorganization of the party apparatus lasted less than a month. According to very reliable information, Mr Papandreou has begun to show signs of fatigue and discouragement over his contacts made up to now and to distance himself from "routine handling" of government and state matters. Mr Papandreou's fatigue is due both to the realization that he is unable to change the political atmosphere through a revival of government activity (announcement of major projects, Prinos, etc.) as well as the divisive infighting which continues to devastate the party's executive office.

Thus, in the past few days Mr Papandreou has all the more acknowledged his discouragement to put forth a new government and party portrait to the people who, in turn, charge that he is possessed with corporate views and narrow utilitarianism. Close associates of the prime minister anticipate that Mr Papandreou will shortly become particularly engaged in foreign policy issues and matters with regard to the "Initiative of the Six," while he will concern himself with domestic issues only when his personal importance needs to be emphasized. His associates also note that the prime minister will let both the government and PASOK to fend for themselves and will systematically distance himself in the future from the handling of unpopular and difficult party problems.

5671

CSO: 3521/104

ND CLAIMS DECISIVE GAINS AMONG AGRICULTURAL POPULATION

Athens I KATHIMERINI in Greek 7 Apr 87 pp 1, 4

[Excerpt] Elections in the farm cooperatives have recorded an impressive and decisive agricultural population shift toward the New Democracy Party. According to ND data, this shift exceeds 100 percent compared to its 1982 strength in farm cooperatives, while the PASOK figures put it at only over 40 percent.

ND strength in the farm cooperatives in 1982 was 27 percent. This percentage rose to 56.23 percent in 173 cooperatives according to ND, while PASOK claims the percentage was 37.8 percent.

PASOK announcements were met with strong charges by ND and by an absolute silence by the Panhellenic Supreme Confederation of Unions of Agricultural Cooperatives [PASEGES] which is the most appropriate information source.

The most serious ND charge dealt with the fact that the figures PASOK made public referred to the cooperatives only numerically (341) without giving any other details. By contrast, ND, which estimates that 2 days ago elections were held in 220 cooperatives, had complete information on all 173 cooperatives by giving percentages of the election results.

Equally important is ND's charge that the government-controlled media broadcast yesterday "the results" PASOK...had announced without even mentioning the source of its information.

According to a PASOK announcement yesterday, in a total of 341 farm cooperatives 1,158 representatives were elected last Sunday. Of these, 613 (52.9 percent) were supported by PASOK, 438 (37.8 percent) by ND, and 107 (9.3 percent) by KKE.

PASOK's figures were disputed by ND, which in an announcement yesterday said that "PASOK is releasing 'so-called' results of farm cooperative elections which are being broadcast by the state TV without naming the source of such results." ND, the major opposition party, adds in the announcement:

"1. Neither PASEGES nor the Unions of Cooperatives announce election results.

"2. The ND Agricultural Section Secretariat has been, since yesterday, gathering specific election results which are available to anyone asking for them. Let PASOK do the same.

"3. PASOK overlooks the fact that a large number of cooperatives postponed their elections for lack of a quorum and broadcast 'results' as it pleases.

"4. PASOK announced that elections were held in 341 cooperatives and that 1,159 representatives were elected. A source at the Agricultural Ministry said tonight that 333 cooperatives held elections and that 1,193 representatives were elected. Both 'sources' are asked to give at least the list of cooperatives which held elections.

"5. The results the ND Agricultural Section Secretariat assembled until now show that 626 representatives were elected in 173 cooperatives for which it has detailed information. Of these representatives, 352 (56.23 percent) lean towards ND and 274 (43.77 percent) lean towards PASOK-KKE. The Secretariat will continue to gather and announce detailed results in every cooperative holding elections. We ask PASOK and anyone else who so desires to give their results in a detailed way."

7520

CSO: 3521/106

FOREIGN POLICY SEEN BALANCING WEST, THIRD WORLD

Madrid CAMBIO 16 in Spanish 9 Mar 87 pp 42-49

[Article by A.S. with reports from Pilar Diez, Caridad Plaza, Jose Manuel Herren, and Luis Peiro: "Where Is Spain Going?"; first paragraph is CAMBIO 16 introduction]

[Excerpts] Spanish foreign policy is the framework defining a new everyday supranational reality. Despite Spain's admission into NATO and the EEC, vague lines and a dim reality persist. CAMBIO 16 has tried to outline the basic situation of Spanish foreign policy by consulting the main participants.

For years Prime Minister Felipe Gonzalez has been plucking daisy petals to decide about the atomic bomb. In the end, in the midst of his government's crisis of confidence with allies, he has announced the signing of the TNP [Treaty for Nuclear Nonproliferation].

He went from "calculated ambiguity," as he himself defined his government's first term foreign policy and security, to a policy of Atlantic definition that remains subject to explicit suspicions and vast unknowns.

All this means, among other things, that while Washington-Madrid tensions grow--as occurs now with the negotiations on the bases--the governments of the United Kingdom and Morocco automatically take the bull by the horns to benefit their interests. London blocks negotiations on the sovereignty of Gibraltar and King Hassan II pressures for the sovereignty of Ceuta and Melilla. The stability of Spanish interests is shaky.

When the minister of foreign affairs, Francisco Fernandez Ordonez, tries to arouse his colleagues at the EEC table, demanding European support for Spanish claims to Gibraltar, the other 11 "look at the ceiling and whistle," according to him.

In his office at the Palacio de Santa Cruz, Minister Fernandez Ordonez told this magazine: "It is hard to discuss bilateral problems in multinational forums."

Nevertheless, the minister added: "Gibraltar will still be there when they try to articulate the entire defensive strategy of the strait....And NATO will not be indifferent about whether or not this topic is resolved."

From their different viewpoints, the opposition parties--both left and right--question the basic lines of the government's foreign policy, according to statements from their main spokesmen to this magazine.

The lack of national consensus on foreign policy and the crisis in allied relations endanger Spain's priority objective as a European power.

Top government sources expressed their concern to this magazine about the anti-American dialectics used by some government leaders which are interpreted as election concessions.

However, after considering it humiliating to bow to outside pressures to sign the TNP, Prime Minister Gonzalez promised to sign it during the debate on the state of the nation last week, 24 February.

On 7 January 1985, Gonzalez described the TNP as "a treaty that is one of the biggest hypocrisies in the world, a treaty that the countries that have nuclear weapons impose on those that do not. I have no intention of manufacturing nuclear arms but neither will I agree to let them humiliate me."

In the parliamentary debate last week, Gonzalez called the discussion on nonnuclearization of the territory "gratuitous." He added: "If anyone has doubts, he can remain tranquil because we have decided to adhere to the TNP."

During the debate on the NATO referendum a year ago, on 4 February 1986, Gonzalez indicated that the government "proposes to consider Spanish adherence to the TNP" despite what he then considered to be "unquestionable flaws" and "imbalances in its precepts."

With so many changes, expectations, frustrations, and more or less calculated ambiguities, the public faces a sea of confusion (see the CAMBIO 16 survey). Where are we? Whom are we with? Where are we going?

The conflicting data confirm the gap between Spain's commitments to Western allies and business and security interests and the hostility and suspicions about policies and the sensitivity of Spanish leadership sectors toward them. About 50 percent of Spanish imports and 72 percent of its exports are exchanged with Europe and the United States. The latter is Spain's primary supplier and its second biggest client. From the political, cultural, and security point of view, Spanish institutions, society, and market belong to the world of the values and interests of the Western democracies that participate in the EEC and NATO.

It can be inferred that Third World temptations that still prevail in some sectors of the government and society hinder Spain's recovery of its national capability and European and international participation. The main reasons are the inability to overcome a situation of British colonialism in Gibraltar, which leaves Spain diminished internally and internationally, and differences

with the European powers concerning macroeconomic figures, social relations, and institutional stability.

The unemployment and inflation rates in Spain--22 percent and 8.3 percent, respectively--are twice the European average. In 1986, Spain had a trade deficit with the EEC, with respect to the previous year, of 407 billion pesetas (CAMBIO 16, No. 789).

The difference between reality and the expectations of an advanced country among the Western democracies reflects a situation of uncertainty that translates into tensions and frustrations internally and in foreign relations. The same inability to resolve a problem of national coexistence between nationalisms and the state or the inability which causes a prolonged crisis of the parties within the constitutional framework impedes a national consensus on foreign policy between the government and the opposition. All this places Spain in a weak position.

Since the Socialist Government confirmed its electoral victory last 22 June, the government has seen the positions of the United States and the United Kingdom harden in negotiations on the withdrawal of bases and the sovereignty of Gibraltar, respectively.

Secret documents on the talks held by the top commands of NATO and Spanish representatives in July 1982, which CAMBIO 16 had access to, reveal how NATO concedes "greatest strategic importance" to Gibraltar.

General Melner stated at that time: "We all agree that the Strait of Gibraltar is one of the most important strategic zones in the world as are the Turkish straits at the other end of the Mediterranean." The general added: "If there must be an integrated command, this point must be understood by all."

Recalling those negotiations, the president of the Spanish delegation and first ambassador to NATO, deputy Javier Ruperez, stated later that the reference to Gibraltar was essential "to keep silence from being interpreted as acceptance of the NATO command called GIBMEQ or Spanish-British cooperation on the air-naval base unless the situation changed radically."

The minister of foreign affairs, Francisco Fernandez Ordonez, has found the same code in his talks held 4 years later with U.S. Secretary of State George Shultz and with his British colleague, Geoffrey Howe.

Prime Minister Felipe Gonzalez has used his foreign appearances in the last 6 months to stress his leadership in the Third World, supporting Fidel Castro and the Palestinian cause of Yasser Arafat. Reagan's special envoy, Ambassador Vernon Walters, will visit Europe in the first half of March--Spain on 10 March--with an anti-Castro message.

Politically, there is a great difference of opinion between the government majority and the opposition. To Minister Fernandez Ordonez, it is clear that "the plan of this government is to place Spain in the Western world. Within that scenario, the great project of Spain is called Europe. Spain is betting

on integration and unity." Elena Flores, secretary for foreign relations of the PSOE [Spanish Socialist Workers Party], considers the government line very positive. Her comrade, Miguel Angel Martinez, considers it "correct and prudent" although "it should perhaps be bolder in some aspects."

According to Guillermo Perinat, who is responsible for foreign policy for the Popular Alliance and is vice president of the European Parliament, the Spanish foreign policy designed by the Socialists is simply "disastrous." In a documented analysis given to this magazine, Perinat feels that the origin of the current situation is the fact that "the foreign policy program of the PSOE was incredibly amateurish."

Christian Democrat Javier Ruperez feels that Spanish foreign relations are going through "a delicate time" now. Ruperez feels that "the Socialists have vacillated." One example he cites is the time when "they had moments of great closeness with the Americans and, at the same time, supported the Nicaraguan process."

From the other side, Communist Enrique Curiel feels that "the big problem" in Spanish foreign policy is that it is centered on relations with the United States.

The Gonzalez Government's foreign policy and security alternate between limited participation in NATO after admission under the government of Calvo-Sotelo in 1982 and */European autonomy/* [in italics] which responds to the strategy of the IS [Socialist International] and the European left.

European detachment from the U.S. umbrella is viewed with satisfaction by Moscow and Communist leader Mikhail Gorbachov to consolidate the traditional Soviet strategy of gaining influence in Western Europe.

When King Juan Carlos went to Washington in June 1976 to obtain the support of the U.S. Congress, the commitment was explicit. The new monarch promised to guarantee stability within the Western system while U.S. support would permit the dismantling of Francoism and development of the internal democratic process.

During that official visit, he received an ovation from U.S. congressmen for his democratic program for Spain. The Senate Foreign Relations Committee passed a resolution supporting European integration for Spain, trusting that this "expanded" relationship would lead "to Spain's full cooperation with NATO, its activities, and the obligations of mutual defense."

Then U.S. Secretary of State Henry Kissinger would write later in his memoirs: "The association of most of Africa and Mediterranean countries like Spain, Morocco, and Tunisia, not to mention Israel, with Western Europe was in the geopolitical interest of the West."

Kissinger added: "To try to destroy the relationship of these key countries with Europe would be extreme political folly."

On 30 June 1970, Kissinger sent a memorandum to President Richard Nixon in which, in his own words, "I definitely sided with our foreign policy objectives. Sanctioning textiles or shoes would be a blow for countries with delicate domestic situations. It could ruin our base negotiations in Spain and endanger our ties with post-Franco Spain."

Washington has held this position throughout these 16 years and King Juan Carlos has tried to remember the commitment to the United States and the allies a decade after his speech to the U.S. Congress when he was initiating the democratic transition.

In his speech last 6 January, the King stated: "It will be necessary to use the greatest tact and prudence in the negotiations related directly or indirectly to that integration (in NATO)." He added: "We are always seeking a balance between our national dignity and attention to international commitments or obligations."

On 15 January, Secretary of Defense Caspar Weinberger stated in the National Press Club in Washington that U.S. forces in Spain were necessary for the United States and for Spanish defense. He emphasized: "And I know that NATO needs them."

Weinberger had been involved recently in an argument with Spanish authorities because he considered the U.S. bases in Spain part of NATO. This was denied by Felipe Gonzalez and by the secretary general of NATO, Lord Carrington. All the U.S. forces in Europe are under the same command as the NATO forces, led by the supreme commander of the allied forces.

The United States and the rest of the allies supported Gonzalez in the NATO referendum on 12 March 1986, convinced that the conditions implicit in the consultation (nonnuclearization, reduction in U.S. military forces, and no military integration in NATO) would be toned down by the Spanish Socialist Government. This led to disagreement in current Spanish-U.S. negotiations. The Spanish Government has requested a "substantial" reduction in U.S. military forces in Spain while Weinberger considers "a substantial net reduction" "harmful" to the interests of Washington and the allies.

This nuance is considered to be extraordinarily important because it could present the image of U.S. military forces abandoning Spain with the repercussions this could have on the same demands of other European countries under pressure from the left. The structure of the Western defense system could suffer.

The Socialist Government wants to keep the banner of */Yankees, go home/* [in italics] to preserve its hegemony in the left facing more radical demands within the PSOE, the bases, and the Communist sectors. Municipal and autonomous elections will be held in the first week of June. Socialism's main opponent, especially in the municipal elections, is the Communists. They capitalized on the 6.5 million votes against NATO in the 1986 referendum. The almost 2 million votes lost by the PSOE in the general elections of 22 June went to the left. In the most recent Basque elections, the PSOE felt that it lost 20,000 votes to the more genuinely leftist Euskadiko Ezkerra. Within the

PSOE, the pro-NATO option, with the announced limitations, won by the small margin of five votes in the 30th Congress in December 1985. The anti-NATO proposal by Miguel Angel Martinez won almost 50 percent of the support of the Congress.

Miguel Angel Martinez told this magazine last week: "I reaffirm the total elimination of all U.S. forces and bases. I also reaffirm maintaining the necessary defense and security systems for our country."

His party comrade, Elena Flores, wants to give greater guarantees. She told CAMBIO 16: "When we say that we are not going to hurt mutual security, that must be considered when deciding what that reduction will be."

The allies have supported Gonzalez because they have considered him a guarantee for neutralizing the Communists. Moscow accepts that there are members within NATO who, for various reasons, question the Atlantic policy and U.S. influence.

The Communist Cuban dictator, Fidel Castro, confessed after his meeting with Gonzalez last November that he considered the efforts for peace that the Socialist leader could carry out within NATO positive. Gonzalez explained to Castro the well-known theory that departure from NATO would endanger Spanish stability and the presence of the left in power.

The Spanish conditions of nonnuclearization of Spanish soil, not joining the military commands of NATO, and progressively reducing the presence of U.S. military forces in Spain are measures that can limit NATO capability and influence a process of separation from the United States.

Gonzalez stated in March 1986: "Spain is much more valuable to the Soviet Union within NATO rather than outside it." The Spanish prime minister added: "If only the USSR which practices great political realism could whisper in the ears of our Communists...."

At the end of a meeting with the president of the IS, Brandt, in Moncloa 2 years earlier on 8 April 1984, Gonzalez said that Europe had to exploit the policy of detente so that "European autonomy is affirmed by Washington and Moscow."

In contrast to European reaction after the Reagan-Gorbachov "summit" in Reykjavik (Iceland), the Spanish Government increased public pressure to achieve the withdrawal of U.S. military forces from Spain. Minister Fernandez Ordonez even threatened to denounce the bilateral treaty if the United States did not agree to reduction of the bases. In London, the British Government made it known through diplomatic channels that there cannot be any progress in the negotiations on Gibraltar until Spain clears up its position in NATO and with the United States with full guarantees for Western security. German Chancellor Hermut Kohl visited Felipe Gonzalez after Washington for a previously arranged meeting. On 19 November, Kohl stated in front of Gonzalez: "NATO security is indivisible. Spain is part of Europe and I have no doubt that the Spanish Government is going to think like a European country. We must remember that we do not live alone in the world where

freedom and peace are indivisible." He was referring to Spanish-U.S. negotiations and the prospect of a reduction of the bases. Minister Fernandez Ordonez has stressed the "anomalous" fact that Spain has to endure the colonial situation of an ally within NATO and the EEC, referring to Gibraltar.

In a study on Gibraltar by the Society for International Studies, Alberto Miguez recalls that 90 percent of Spanish foreign trade and 82 percent of the raw material destined for the Common Market travel between the two axes that connect the Canarias, Finisterre, and Palos. In 1984, 65,000 ships traveled through these peripheral focal centers to the Strait of Gibraltar. In the opinion of the author, "this justifies the struggle, open or hidden, for its control throughout history." The prime minister of Gibraltar, Sir Joshua Hassan, told CAMBIO 16: "It is possible to discuss sovereignty but that does not mean that the problem is solved."

Can Spain change its foreign perception? Can it be stated that Spanish society and its leadership elite are dominated by a foreign bias or one contrary to what are considered to be Western values?

In his recent book "Espana intelisible," philosopher Julian Marias maintains that the "obsessive presence of the Moors" has been enough to segregate Spain from Europe while it has made it similar to nations like France, Germany, or the United Kingdom, based on the historic profiles of these countries. Marias adds: "Therefore, the impression of abnormality and the diagnosis of incomprehensible, perhaps irrational, have been inevitably reinforced."

NATO: Neither Yes or No but the Opposite

Spain's integration in the EEC and NATO has become the cornerstone of Spanish defense and foreign policy. Nevertheless, the Spanish public expresses confusion and disagreement. In a survey for CAMBIO 16 taken by ASEP under the leadership of Prof Juan Diez Nicolas, the majority of the 1,200 people surveyed last January feel the opposite of almost all the National Parliament: that NATO hurts the defense of national territory.

The government and 95 percent of Parliament, according to the vote taken in 1986, feel Spain's presence in NATO is good for national interests. According to the following chart, 32 percent of those surveyed feel that it is harmful compared to 27 percent who say that NATO helps the defense of Spanish territory. However, 41 percent feel that it neither helps nor hurts, but that it "depends" or they "don't know, no answer."

These data were received 10 months after the government won the referendum (with the partial abstention of the right) with 31 percent of the votes. The ASEP study states:

"The conflict in opinions that is observed in all segments of the population seems to suggest that the slightly favorable feelings toward NATO revealed in the referendum of March 1986 remain."

Does Spain's presence in NATO help or hurt defense of Spanish territory
(percent)?

Helps	27
Neither helps nor hurts	14
Hurts	32
Depends	6
Don't know, no answer	21

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CSO: 3548/58

POLL DETAILS PUBLIC ATTITUDES ON ECONOMY, POLITICAL SITUATION

Madrid ACTUALIDAD ECONOMICA in Spanish 16-22 Feb 87 pp 20-28

[Excerpts] Strictly political issues (and this is a noteworthy innovation) are not the ones which the average Spaniard finds most worrisome. The Spaniards polled direct their main concern toward "terrorism and violence," and "peace and the international situation": 56 and 55 percent, respectively. "Citizens' security," with 44 percent, is the fourth concern of Spaniards; while worry over "job stability" and "taxes" ranks in last place.

An undeniably striking datum is that relating to Spaniards' view of the government's role in the current economic situation; 45 percent claim that the government's economic policy has proven "indifferent" with respect to their own personal economic situation. Among those who find a connection between the government's economic policy and their personal situation, the ones who describe those effects as negative more than triple the number considering them to be positive.

The assessment made by Spaniards of the first year of our membership in the EEC: to 36.2 percent of them, it has proven positive; to another 29.2 percent, negative; and to a final 27.4 percent, indifferent. The opinion is highly positive among Socialists and Centrists, virtually balanced among IU [United Left] voters, and quite negative among AP [Popular Alliance] voters.

The predictions for our membership's future years are even more positive than the assessment of the first year itself. Two out of every three Spaniards expect positive end results from our integration, and only 16 percent presume a negative assessment. Once again, the greatest optimism flows through Socialist channels, and the greatest pessimism, among Alliance voters.

Pessimism Toward the Evolution of Unemployment

Considering the evolution of the various economic indicators, the best predictions relate to "exports" (they will improve: 40.7 percent; they will worsen: 17 percent), and "our economy's productive capacity" (it will improve: 36.1 percent; it will worsen: 16.6 percent). Once again, the worst forecast is for "unemployment": half of those queried (46.4 percent) expect it to worsen; another 30.7 percent, that it will remain the same; and only 19.7 percent, that it will

improve. Finally, similarly negative, although more moderately, prospects are offered by "inflation" (it will worsen: 34.1 percent; it will improve: 17.8 percent), and "purchasing power" (it will worsen: 31.3 percent; it will improve: 21.6 percent). Among the Alliance voters, all the indicators show negative prospects, and those from IU except only exports. At the opposite end, the Socialists expect a better evolution of all indicators, including "unemployment" (it will worsen: 33 percent; it will improve: 34.9 percent).

Savings, in the Sock

The optimism regarding the overall evolution of the economy bears no relationship to the greater pessimism that Spaniards have concerning their own personal situation. When this is gauged from the predictions on medium-term savings, only 5.6 percent of Spaniards think that they will be larger in the immediate future. In contrast to that minority, 31.9 percent see themselves with the same savings capacity as they have had to date; another 16.9 percent think that it will be even less; and to be added to both is the 43.7 percent who already claim that "they are not saving now, and don't think that the situation will change." In this respect, not even the Socialist voters are optimistic and, with slight differences, they conform to the general pattern.

Whether they decrease or increase, the destination of those savings still reflects a meager investment capacity. In fact, to the question: "In what do you think that you will invest your savings?" 6.6 percent respond, literally, "I intend to keep them." The largest group (72.1 percent) is concentrated among those who intend to deposit their savings in financial institutions: in banks (26.8 percent) and in savings funds (45.3 percent). Only one out of every 10 interviewed expresses more speculative or risky intentions: "purchasing shares of stock or bonds" (6.5 percent), or "investing in the real estate business" (3.1 percent).

This economic picture is part of a political environment still marked by the outcome of the AP crisis. The voting intentions during this first month of the year reflect a slight improvement for the government party, of nearly 2 points. Nevertheless, Popular Alliance appears to have contained the "Fraga resignation" effect which caused it to drop under 20 percent in the last poll; it has now gained 21.1 percent of the voting intentions. The unbeatable evolution of CDS [Social Democratic Center Party] has found itself simultaneously blocked, and it has dropped 2.5 points since its best level last month. United Left has ceased to show significant changes since a year ago, and remains anchored at a little over 5 percent. Finally, mention should be made of the insignificant ratings of Oscar Alzaga's PDP [Popular Democratic Party] and Santiago Carrillo's MUC [Communist Unity Movement], both with 1.1 percent of the preferences; and, lastly, the electoral disappearance of Miguel Roca's PRD [Democratic Reformist Party].

Technical Record

Management: Communication Techniques, Consultants, Inc.

Implementation: Sigma-Dos, Inc.

Universe: Persons 18 years of age or over.

Scope: Spain, with the exception of the Canaries, taking 13 autonomous regions as a sample.

Sample: 1,111 interviews, with a possible error of ± 3.0 percent, for a confidence interval of 95.5 percent, and $p/q = 50$, according to the Arkin and Colton tables.

Selection: aleatory, based on the "random route" method, supplemented by the corrective system of quotas based on sex, age, and occupation.

Interviews: held through personal visits to domiciles.

Date of field work: 17-21 January 1987.

Six of One and a Half Dozen of the Other

Which of the following economic factors do you think will improve or worsen in the future?

	Total	June 86 Vote			
		PSOE	CP	IU	CDS
Purchasing power:					
Will improve	21.6	32.4	15.0	10.9	30.0
Will remain the same	39.0	42.6	34.1	38.2	43.3
Will worsen	31.3	19.1	44.5	49.1	23.3
Don't know/no answer	8.0	5.9	6.4	1.8	3.3
Inflation:					
Will improve	17.8	28.4	9.2	12.7	18.3
Will remain the same	36.0	37.7	30.1	40.0	41.7
Will worsen	34.1	24.7	50.9	41.8	35.0
Don't know/no answer	12.1	9.3	9.8	5.5	5.0
Exports:					
Will improve:	40.7	54.6	30.1	30.9	61.7
Will remain the same	31.0	26.5	32.4	43.6	31.7
Will worsen	17.0	10.8	29.5	20.0	1.7
Don't know/no answer	11.3	8.0	8.1	5.5	5.0

[continued]

	Total	June 86 Vote			
		PSOE	CP	IU	CDS
The productive capacity of our economy:	36.1	52.8	20.2	25.5	46.7
Will improve	35.1	30.9	39.3	36.4	40.0
Will remain the same	16.6	7.1	30.6	29.1	5.0
Will worsen	12.3	9.3	9.8	9.1	8.3
Don't know/no answer					

EEC: Good Present, Better Future

What assessment do you make of the first year of Spain's membership in the EEC, positive or negative?

	Total	June 86 Vote			
	Spain	PSOE	CP	IU	CDS
Positive	36.2	55.6	24.9	32.7	40.0
Negative	29.2	21.6	45.1	34.5	26.7
Indifferent	27.4	17.6	27.7	29.1	33.3
Don't know/no answer	7.1	5.2	2.3	3.6	0.0

And during the next few months do you think that it will be positive or negative?

	Total	June 86 Vote			
	Spain	PSOE	CP	IU	CDS
Positive	57.6	72.8	48.6	52.7	68.3
Negative	16.0	7.7	24.9	23.6	11.7
Indifferent	13.9	8.0	16.8	18.2	10.0
Don't know/no answer	12.4	11.4	9.8	5.5	10.0

Let Anyone Save Who Can

Looking ahead 6 months, do you expect that your savings capacity will be....?

	Total	June 86 Vote			
	Spain	PSOE	CP	IU	CDS
Not saving now and don't expect the situation to change	43.7	43.8	30.1	54.5	38.3
Greater	5.6	6.5	4.6	7.3	8.3
The same	31.9	35.2	43.4	18.2	26.7
Less	16.9	14.2	18.5	20.0	23.3
Don't know/no answer	1.9	0.3	3.5	0.0	3.3

The Funds Gain

In what do you intend to invest your savings?

	Total	June 86 Vote				
	Spain	PSOE	CP	IU	CDS	
In a bank checking account	26.8	23.7	33.7	35.7	14.3	
In savings funds	45.3	54.2	38.6	42.9	47.6	
Purchasing stocks or bonds	6.5	6.1	6.0	7.1	14.3	
In the real estate business	3.1	1.5	2.4	0.0	9.5	
Purchasing gold	0.3	0.0	0.0	0.0	4.8	
I intend to keep them	6.6	6.9	7.2	7.1	0.0	
Another method	3.4	2.3	3.6	0.0	9.5	
Don't know/no answer	7.9	5.3	8.4	7.1	0.0	

PSOE and AP, on the Rise

Voting intention with projection of undecided

	Jul 86	Aug 86	Sep 86	Oct 86	Nov 86	Dec 86	Jan 87
PSOE	44.2	45.0	44.4	43.0	42.3	42.9	44.1
AP	24.0	25.1	24.2	23.3	23.7	19.8	21.1
IU (PCE)	5.2	5.1	5.5	5.6	6.4	5.5	5.6
CDS	11.2	13.1	12.8	14.1	13.7	16.3	13.9
CiU	5.1	4.2	5.2	4.8	5.1	5.1	5.1
PNV	1.5	1.5	1.5	1.2	1.4	1.0	1.1
EE	0.5	0.0	0.0	0.0	0.7	0.7	0.8
HB	1.2	1.2	1.1	1.1	1.1	1.2	1.2
PRD	0.8	1.1	0.8	0.4	0.2	0.4	-
MUC	1.1	1.1	1.3	0.9	0.3	0.4	1.1
PDP	-	-	-	-	1.0	1.0	1.1
Others and undecided without projection	5.2	2.1	1.3	5.1	4.1	5.7	4.9

Bad Times

How do you judge the current economic situation of Spain?

	Total	June 86 Vote			
	Spain	PSOE	CP	IU	CDS
Good	12.6	23.8	3.5	1.8	18.3
Fair	58.8	64.2	52.6	52.7	66.7
Bad	26.6	10.8	42.2	45.5	13.3
Don't know/no answer	2.0	1.2	1.7	0.0	1.7

Long Live the Indifference!

Insofar as you are concerned, would you say that the government's economic policy has produced effects on your own personal situation that are....?

	Total	June 86 Vote			
	Spain	PSOE	CP	IU	CDS
Positive	15.3	30.6	4.6	12.7	10.0
Negative	35.6	21.6	62.4	34.5	31.7
Indifferent	45.4	44.4	30.6	50.9	58.3
Don't know/no answer	3.7	3.4	2.3	1.8	0.0

Peace Before the Economy

Could you tell me which of the following problems concerns you most personally?

	Total	June 86 Vote					Total		
	Spain	PSOE	CP	IU	CDS		1st	2nd	3rd
Peace and the international situation	55.0	55.0	47.3	72.7	51.6		32.6	10.8	11.6
Your income level	35.5	39.2	34.4	38.1	38.3		13.2	13.1	9.2
The price rise	38.2	39.9	32.4	43.5	40.0		8.5	13.8	15.9
Citizens' security	44.4	38.8	56.0	25.4	55.0		12.6	16.9	14.9
Job stability	44.4	49.1	36.5	54.6	35.0		14.0	17.5	12.9
Terrorism and violence	56.4	56.8	64.7	38.2	54.9		14.2	19.2	23.0
Taxes	21.0	18.3	26.0	20.0	25.0		4.1	7.3	9.6

2909

CSO: 3548/60

LOW GONZALEZ APPROVAL RATE BEFORE STATE OF NATION SPEECH

Madrid CAMBIO 16 in Spanish 9 Mar 87 pp 18, 30

[Article by Luis Peiro; first paragraph is CAMBIO 16 introduction]

[Text] Only one of every five Spaniards considered government administration correct when the debate on the state of the nation began. Felipe Gonzalez was at his lowest point since he came to power.

Opinion on Government Administration

1) ENERO 1987 %	2) Total Nacional	3) SEXO		6) EDAD			10) CLASE SOCIAL			14) TAMAÑO POBLACION (millares)		
		4) Hombre	5) Mujer	7) 16 a 30 años	8) 31 a 45 años	9) 46 a 65 años	11) Alta	12) Media	13) Baja	15) De 5 a 30 hab.	16) De 30 a 200 hab.	17) Más de 200 hab.
18) Acertada	21	23	18	18	24	21	19	22	20	21	21	20
19) Ni acertada ni desacertada	40	38	41	41	37	40	35	38	42	39	43	38
20) Desacertada	29	33	26	31	32	26	42	34	28	27	25	32
21) No sabe/no contesta	10	6	15	10	7	13	4	6	10	13	11	10

Note: See graph of last 3 years and technical parameters

Key:

- | | |
|-------------------|-----------------------------------|
| 1. Jan 1987 % | 13. Lower |
| 2. National total | 14. Population size (thousands) |
| 3. Sex | 15. From 5-30 inhabitants |
| 4. Men | 16. From 30-200 inhabitants |
| 5. Women | 17. More than 200 inhabitants |
| 6. Age | 18. Correct |
| 7. 16-30 years | 19. Neither correct nor incorrect |
| 8. 31-45 years | 20. Incorrect |
| 9. 46-65 years | 21. Don't know/No answer |
| 10. Social class | |
| 11. Upper | |
| 12. Middle | |

Adolfo Suarez not only took revenge against the man who replaced him in the eyes of the Spanish voters. Without knowing it--although he unquestionably used his great political intuition--he was a prophet when, during his parliamentary speech on the state of the nation, he made the following recommendation to Prime Minister Felipe Gonzalez: "When I was prime minister, you told me: 'Mr Suarez, leave Moncloa, go out into the streets, and listen to their concerns.' Now, Mr Gonzalez, I return the advice to you because it was good advice."

Aside from the merits of this advice--which the former prime minister has been carefully hoarding for 7 years until the right time came to use it--it appears to be necessary.

When the prime minister went to the speaker's podium at Congress for the first time last week, he was wearing a modest navy blue suit with matching shirt and tie. He was painstakingly groomed, his silver temples shining like never before. He was at his lowest rating as prime minister since he came to Moncloa in December 1982.

A survey taken by the DYM Institute for CAMBIO 16 in January--coinciding with the student protest in the streets--shows that only 20.8 percent of the citizens feel the government administration is correct. On the other hand, 29.4 percent consider it incorrect while 39.5 percent are indifferent to the work of the Socialist Council of Ministers.

Only 2 months ago, the percentages were noticeably more favorable. In that short time, the prime minister lost almost 7 percentage points in popular acceptance. Two points have gone to the opposite side: those who think the government administration has been incorrect. Almost a point went to the largest group of citizens in the DYM survey, the indifferent.

The curious thing is that, throughout his double term, this situation only occurred in June 1986, precisely when he had won the election by an absolute majority. However, there were fewer discontents then.

Although the negative opinion of his government administration was no obstacle to winning, it appears that it is not considered a good sign now to find himself in that situation only 4 or 5 months before the municipal and autonomous elections.

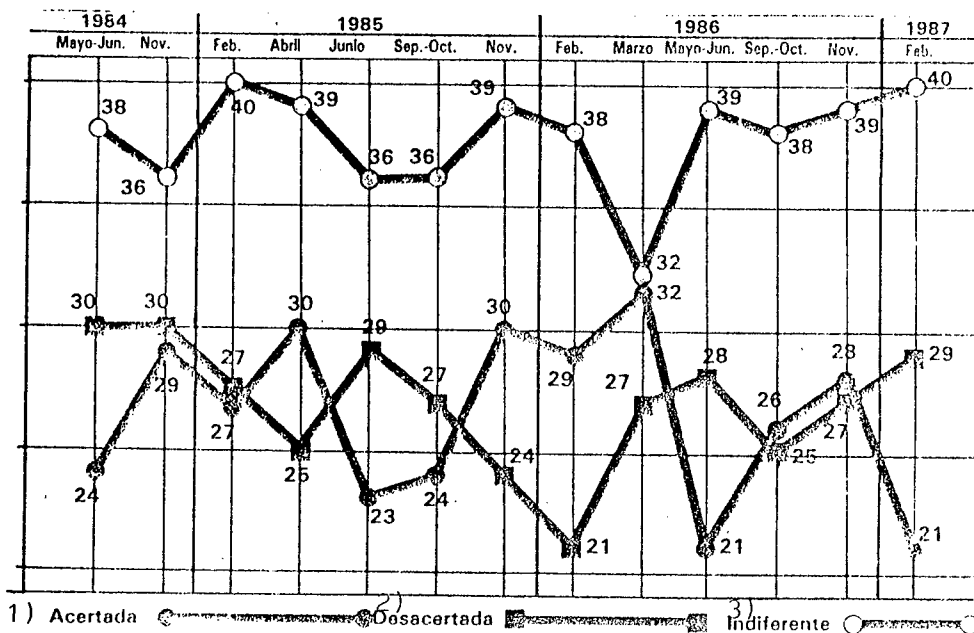
It is odd that a man like Felipe Gonzalez, so used to being guided by surveys, did not know that he would have to confront the opposition groups at his lowest popularity. The continued references that his parliamentary opponents made to the "divorce between the government and the street" when they had the opportunity to answer him should not have surprised him. Perhaps for that reason he omitted his usual type of speech--list of achievements in each area of government--to analyze the many problems that had been accumulating.

This new strategy to regain the initiative led to the changes and announcements in the debate: the government will soon sign the Treaty for Nuclear Nonproliferation; it will soon repeal the Antiterrorist Law; and this month it will

send Congress the law on private television. The government also promises to report to Congress periodically on the sale of arms to countries at war and to hold a debate on security and defense.

What no one heard the prime minister say during the debate is that he is going to go out into the streets. Perhaps he has found another way to improve his low standing.

Government Action



Key:

- 1. Correct
- 2. Incorrect
- 3. Indifferent

Technical Parameters: Universe: Persons between 16 and 65 years of age residing in places with 5,000 inhabitants or more. Sample: 2,000 interviews in homes. Field: January 1987. Carried out by: DYM Institute exclusively for CAMBIO 16.

7717

CS0: 3548/58

POLLS SHOW GOVERNMENT UNDER ATTACK, GONZALEZ DOWN, SUAREZ UP

Madrid ACTUALIDAD ECONOMICA in Spanish 6 Apr 87 pp 20-27

[Text] The parliamentary debate fostered by the motion for censure submitted by Popular Alliance [AP] has reached a critical juncture for the government's public image. The deterioration of the social atmosphere (conflicts with businessmen, students, medical interns, and miners) had been changing or upsetting what appeared to be unchangeable constant features of political activity: In March, before the motion for censure, Felipe Gonzalez' image had again become significantly worse, that of his government had thereby gone down in negative historical records, the voting tendency was showing a flight of PSOE [Spanish Socialist Workers Party] voters, and, to top it off, Spanish opinion appeared to be in overt solidarity with the groups opposing the government.

The latest social conflicts have caused a decline in the image of the government and its prime minister, Felipe Gonzalez. In March, the "good" opinions of the Socialist government dropped 4.1 percent, and the "bad" ones rose by 3.8 points; thereby reducing their neutral vote (balance of the former's image minus the latter's) by 7.9 points. It stands at 12.9 negative points, the second lowest level reached since Barometro began.

The foregoing downward record occurred with a neutral vote of -19.0 points, in the survey taken a few days before the last general elections of June 1986, and was closely related to the establishment of positions associated with the pre-electoral periods.

Now, as may be observed from the breakdown, based on the party voted for, it is not just the AP, CDS [Social Democratic Center Party], and IU [United Left] voters who have changed their view of the government, but also the PSOE voters themselves (who decreased their neutral vote for the government by 10.9 points); which has, correlatively, caused a decline in intentions to vote for PSOE.

Hence, the government has emerged somewhat affected by the recent social conflicts; something which, based on other data inferred by Barometro, seems to be warranted, because the population as a whole gives more credibility to each of the groups which have recently come into opposition with the government than to the latter itself.

Spaniards sympathize more with the businessmen, students, resident medical interns, and workers from Hunosa than with the government. And this holds true in all cases, so that their opinion is overwhelming, and the Socialist voters themselves do not disagree with it.

The group evoking the most sympathy is the students, with 61.4 percent, and the one evoking the least is the resident medical interns, with 49.4 percent. The conflict in which the government receives the most approval is also the student one, but with only 13.7 percent; and the one in which it receives the least is that relating to Hunosa, with 5.4 percent of the sympathy.

It is odd that Spanish society in general justifies the conflict, because there are very few who do not sympathize with any of the sides. When one observes the attitudes toward the social conflicts and the opinion of the government as a whole, he might begin to sense a certain risk of sociopolitical polarization in our country, which could be more disturbing if we consider the fact that the short-term calendar is marked by much collective bargaining in the trade union area, and by a triple call for elections (municipal, autonomous, and European) in the political area.

The prime minister, Felipe Gonzalez, although to a lesser extent, has also experienced a deterioration in his image, and as in June 1986, he receives a negative neutral vote. The negative neutral vote means that he has more critics than loyal followers, and more suspended judgment than approval; which brings him very far removed from the period of Socialist enchantment, in 1983, when the prime minister's neutral vote exceeded 40 positive points.

In comparison with 2 months ago, Felipe Gonzalez has lost 2.7 points in the "good" connotation, and a 1.3 point increase in the "bad" one, with a loss of 4.0 points in the aforementioned neutral vote.

These ill winds have led PSOE to a sizable loss of votes. There is a 4.7 point drop in voting intentions, without projecting the undecided, and 4.1 when projecting them; but, in spite of this, an easy majority is maintained, although it could hardly become absolute when translated into seats.

The New AP, Well Received

Popular Alliance, on the other hand, has improved notably since its congress, in the opinion of the majority of the population: 32.0 percent think that it is "better"; 13.1 percent consider it "worse"; and 32.2 percent say that it is "the same." If we add to this the fact that those who think that Hernandez Mancha's selection has been positive are in the majority, it is logical for the Alliance vote to recover gradually, after the Basque electoral disaster and the resultant resignation of the former president and founder of the party, Manuel Fraga.

AP has gained about 2 points in its voting intentions, and needs 2 more points to recover the real percentage that it had in the last general elections.

Moreover, AP has improved its image as a party and, what is even more important, in its future prospects. The last time that Barometro asked: "If there were general elections now, which do you think would have the best election results: AP, CDS, Oscar Alzaga's PDP [Popular Democratic Party], or Jose Antonio Segura-do's PL [Liberal Party]?" the opinion expressed most often was CDS, whereas now it is AP, although by only a 1-point difference; which is due to a greater confidence in AP on the part of its former voters.

Based on the results from this same question, one can clearly observe that PDP and PL have slim chances.

Strangely enough, it is the former Popular Coalition voters who see the least future for it. Furthermore, the slight voting intentions for these parties corroborates this.

CDS has maintained itself with a clearcut increase in votes over the last elections but is still far removed from being the country's second-ranking party.

As may be recalled, at the time of greatest crisis for AP (November 1986), there was only a 3-point difference between the two parties. Now it is over 8 points. Everything appears to indicate that Suarez' party is stopping its electoral growth toward the right and is beginning to gain ground (slowly and with difficulty) among the PSOE electorate.

In the 37th survey, Barometro noted that CDS had not succeeded in taking off electorally, because of its slight presence in society as a party. In the current preelection period for municipal, autonomous, and European elections, CDS has a difficult time because, in the first elections which will take precedence over the others, the voting (except for the large cities where there is a more ideological vote) will be for the slate of the mayor or, in its default, for the municipal alternative.

At the present time, CDS has no mayors, nor is it an alternative to the municipal government in most of the town halls; and therefore its real expectations may be temporarily reduced.

In this survey, there was a question about the voting intentions for the European Parliament, and the percentage of "don't know/no answer" replies was still large (for lack of information), making any inference impossible; but what can be observed at the present time is that it operates very much in line with the legislative vote.

This is aided, moreover, by the mechanisms of the electoral law itself. In fact, if there is confirmation for the election to the European Parliament with the single national district, for the first time in Spain all the parties which receive over 5 percent of the votes will have the same ratio of seats to number of votes; and thus the national minority parties (for now, CDS and IU) will emerge less harmed by the disproportion between votes and seats in the electoral system.

In another area, the establishment of the new Basque government is a boost for PSOE, because it appears good to most of those polled that this party and PNV [Basque Nationalist Party] have reached an agreement to form a government in the Basque Country. To 8.3 percent, it appears "very good"; to 25.2 percent, "good"; and to only 17.2 percent does it appear "bad" or "very bad." Among the PSOE national electorate, there is almost no opposition to the PSOE-PNV pact. The only ones who consider it bad are the IU voters.

United Left has increased its vote slightly, but without in any case capitalizing on the decline in PSOE electorally and with respect to image.

(1)

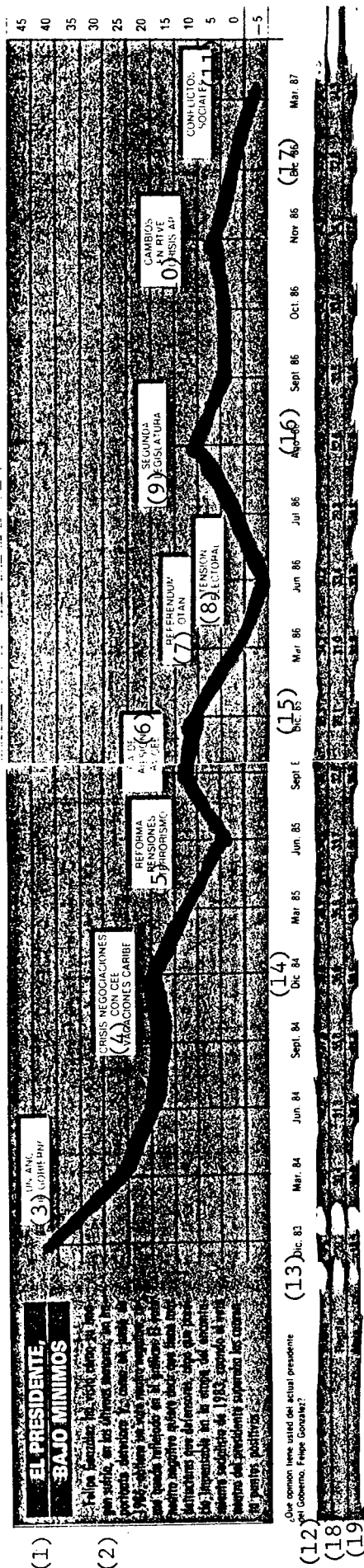
EL ENCANTO DE LA PROTESTA

(2) En los conflictos que han mantenido o siguen manteniendo distintos colectivos con el Gobierno, ¿con quién simpatiza usted más en cada caso?

(3) GLOBAL	(4) VOTO JUNIO 86	PSOE	AP	IU	CDS
Comerciantes-Gobierno: (5)					
Comerciantes	55,5	42,7	72,2	58,9	62,7
Gobierno	10,4	18,0	3,5	7,1	6,0
Ninguno (6)	12,1	12,8	9,0	12,5	9,0
N.S./N.C. (7)	22,0	26,6	15,3	21,4	22,4
Estudiantes-Gobierno: (8)					
Estudiantes	61,4	54,9	64,6	78,6	73,1
Gobierno	13,7	18,5	11,1	10,7	7,5
Ninguno (6)	10,3	9,9	13,2	8,9	9,0
N.S./N.C. (7)	14,6	16,7	11,1	1,8	10,4
Médicos Internos residentes-Gobierno: (9)					
Médicos Internos residentes	49,4	37,5	62,5	64,3	59,7
Gobierno	10,2	16,4	4,9	16,1	4,5
Ninguno (6)	10,6	10,2	7,6	8,9	9,0
N.S./N.C. (7)	29,8	35,9	25,0	10,7	26,9
Trabajadores de Hunosa-Gobierno: (10)					
Trabajadores de Hunosa	59,4	54,9	62,5	87,5	67,2
Gobierno	5,4	8,1	4,2	3,6	1,5
Ninguno (6)	6,6	6,3	9,7	1,8	6,0
N.S./N.C. (7)	28,6	30,7	23,6	7,1	25,4

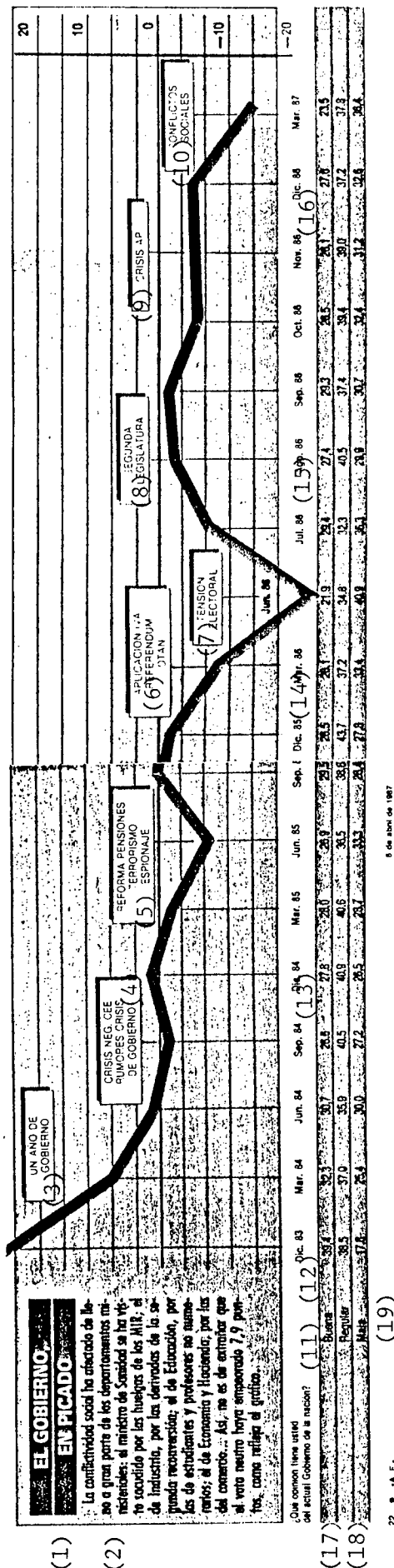
Key to Table 1:

1. The Charm of the Protest
2. In the conflicts that various groups have had or still have with the government, with whom do you sympathize most in each instance?
3. Overall
4. June 86 vote
5. Businessmen-Government
6. No one
7. Don't know/no answer
8. Students-Government
9. Resident Medical Interns-Government
10. Hunosa Workers-Government



Key to Graph 1:

1. The Prime Minister, Below Minimum
2. Felipe Gonzalez has seen his image in recent weeks suffer a serious decline and, as in June 1986, he receives a negative neutral vote, as shown on the graph. The negative neutral vote means that he has more detractors than defenders, something seemingly unthinkable during the Socialist enchantment phase in 1983, when the prime minister's neutral vote exceeded 40 positive points.
3. 1 year of government
4. Crisis, negotiations with EEC, Caribbean vacation
5. Reform, pensions, terrorism
6. Act of EEC membership
7. NATO referendum
8. Electoral tension
9. Second legislature
10. Changes in RTVE, AP crisis
11. Social conflicts
12. What is your opinion of the current prime minister of the government, Felipe Gonzalez?
13. Dec 83
14. Dec 84
15. Dec 85
16. Aug 86
17. Dec 86
18. Good
19. Fair
20. Bad



Key to Graph 2:

1. The Government, in a Nose-Dive
2. The social conflicts have totally affected many cabinet departments; the health minister has been shaken by the MIR [resident medical interns] strikes; the industry minister by the effects of the second reconversion; the education minister, by those of students and non-tenured professors; the economy and finance minister, by those in business... So, it is not surprising that the neutral vote has worsened 7.9 points, as the graph shows.
3. 1 year of government
4. Crisis, EEC negotiations, rumored government crisis
5. Reform, pensions, terrorism, espionage
6. VAT enactment, NATO referendum
7. Electoral tension

8. Second legislature
9. AP crisis
10. Social conflicts
11. What is your opinion of the present government of the nation?
12. Dec 83
13. Dec 84
14. Dec 85
15. Aug 86
16. Dec 86
17. Good
18. Fair
19. Bad

(1) **EL RETORNO DE SUAREZ**

(2) Índice de popularidad líderes

	Mar. 84	Mar. 85	Mar. 86	Mar. 87
ADOLFO SUAREZ ▲	39,5	43,6	40,8	47,8
FELIPE GONZALEZ ▼	55,0	52,5	47,6	47,7
MANUEL FRAGA ▲	35,9	34,8	31,9	39,7
HERNANDEZ MANCHA	—	—	—	37,8
ALFONSO GUERRA ▼	44,8	42,8	39,0	37,1
SANTIAGO CARRILLO ▲	28,0	32,3	27,7	34,1
HERRERO DE MIÑON	—	—	—	31,7
GERARDO IGLESIAS ▲	29,2	30,6	28,5	31,7
OSCAR ALZAGA ▲	24,0	25,0	26,0	28,4
J. ANTONIO ARDANZA ▲	—	—	23,5	27,8
J. ANTONIO SEGURADO ▲	—	—	17,5	25,6

(3) El índice de popularidad es el cociente entre el índice de conocimiento y el de aceptación.

Key to Table 2:

1. Suarez' Return
2. Leaders' popularity index
3. The popularity index is the quotient between the index of familiarity and that of acceptance

(1) **FUGA DE VOTOS DEL PSOE**

(2) (Intención de voto con proyección de indecisos)

(3) Ago. Sep. Oct. Nov. Dic. Ene. Mar.

	86	86	86	86	86	87	87
PSOE	45,0	44,4	43,0	42,3	42,9	44,1	40,0
CP (6)	25,1	24,2	23,3	23,7	19,8	21,1	23,0
IU (PCE) (7)	5,1	5,5	5,6	6,4	5,5	5,6	5,7
CDS	13,1	12,8	14,1	13,7	16,3	13,9	14,9
CiU (8)	4,2	5,2	4,8	5,1	5,1	5,1	5,1
PNV	1,5	1,5	1,2	1,4	1,0	1,1	1,0
EE (9)	0,0	0,0	0,0	0,7	0,7	0,8	1,1
HB (10)	1,2	1,1	1,1	1,1	1,2	1,2	1,1
PRD (11)	1,1	0,8	0,4	0,2	0,4	—	—
MUC (12)	1,1	1,3	0,9	0,3	0,4	1,1	1,1
PDP	—	—	—	1,0	1,0	1,1	0,5
Otros e Indec. (13)	—	—	—	—	—	—	—
sin proyectar	2,1	1,3	5,1	4,1	5,7	4,9	6,5

Key to Table 3:

1. Flight of PSOE Votes
2. (voting intention with projection of undecided)
3. Aug 86
4. Dec 86
5. Jan 87
6. CP [Popular Coalition]
7. IU (PCE), United Left (Spanish Communist Party)
8. CiU (Convergence and Unity)
9. EE (Basque Left)
10. HB (Popular Unity)
11. PRD (Democratic Reformist Party)
12. MUC (Communist Unity Movement)
13. Others and undecided without projection

(1)

DESBARAJUSTE EN EL CENTRO DERECHA

(2) (Si ahora hubiese elecciones, ¿quién cree Vd. que tendría mejores resultados electorales: AP, CDS, el PDP de Oscar Alzaga o el PL de José Antonio Segurado?)

(3) VOTO JUNIO 86

	(4) GLOBAL		PSOE		AP		IU		CDS	
(5)	Dic. 86	Mar. 87	Dic. 86	Mar. 87	Dic. 86	Mar. 87	Dic. 86	Mar. 87	Dic. 86	Mar. 87
AP	24,3	37,9	21,5	29,9	41,6	75,0	7,3	21,4	11,1	14,9
CDS	44,0	36,7	51,8	42,2	21,9	12,5	61,8	51,8	72,2	70,1
PDP	4,5	2,3	2,6	2,9	6,6	0,7	5,5	1,8	6,9	4,5
PL	0,9	1,0	1,0	0,5	1,5	0,0	1,8	1,8	0,0	4,5
N.S/N.C. (6)	26,4	22,2	23,1	24,5	28,5	11,8	23,6	23,2	9,7	6,0

Key to Table 4:

1. Disarray in the Right of Center
2. (If there were elections now, which do you think would have better electoral results: AP, CDS, Oscar Alzaga's PDP, or Jose Antonio Seguardo's PL?)
3. June 86 vote
4. Overall
5. December
6. Don't know/no answer

(1) HERNANDEZ MANCHA Y LA MEJORIA DE AP					
(2) ¿Cree usted que la elección de Hernández Mancha ha sido positiva o negativa para AP?					
(3) VOTO JUNIO 86					
	(4) GLOBAL	PSOE	AP	IU	CDS
Positiva (5)	38,1	29,9	66,0	33,9	20,9
Indiferente (6)	29,4	34,9	13,2	35,7	43,3
Negativa (7)	10,6	10,4	7,6	16,1	14,9
N.S./N.C. (8)	23,9	24,7	13,2	14,3	20,9
(9) ¿Usted cree que desde la celebración del Congreso de AP, el partido está mejor, igual o peor?					
(3) VOTO JUNIO 86					
	(4) GLOBAL	PSOE	AP	IU	CDS
Mejor (10)	32,0	26,6	57,6	23,2	25,4
Igual (11)	32,2	35,9	19,4	41,1	38,8
Peor (12)	13,1	14,3	9,7	7,1	19,4
N.S./N.C. (8)	22,7	23,2	13,2	28,6	16,4

Key to Table 5:

1. Hernandez Mancha and AP's Improvement
2. (Do you think that Hernandez Mancha's election has been positive or negative for AP?)
3. June 86 vote
4. Overall
5. Positive
6. Indifferent
7. Negative
8. Don't know/no answer
9. (Do you think that the party has been better, the same, or worse since the holding of the AP Congress?)
10. Better
11. The same
12. Worse

Technical Record:

Direction: Communication Techniques, Consultants, Inc

Implementation: Sigma-Dos, Inc

Universe: persons aged 18 or over

Scope: Spain, except the Canaries, taking a sample of 13 autonomous regions

Sample: 1,111 interviews, with a possible error of ± 3.0 percent, for a confidence interval of 95.5 percent, and $p/q = 50$, according to the Arkin and Colton tables

Selection: aleatory, based on the "random route" method, supplemented by the quota corrective system based on sex, age, and occupation

Interviews: held through personal visit to domicile

Date of field work: from 6 to 12 March 1987

2909

CSO: 3548/61

WOMEN'S MEETING URGES END TO CRUISE TESTING

Vancouver THE SUN in English 16 Mar 87 p A3

[Text]

B.C. women active in the peace movement are calling on the prime minister to take Canada out of the nuclear arms race and to turn the country into a zone free of nuclear weapons testing.

About 70 women — representatives from the Voice of Women, the Vancouver YWCA, the University Women's Club and Women's International League for Peace and Freedom — met Saturday to hear speakers from women's peace organizations developing in Canada and internationally.

In an open letter to Brian Mulroney written at the conference, the delegates ask for Canada to withdraw from the nuclear arms race by cancelling the treaty permitting cruise missile tests here.

The letter also asks the government to refuse permission to any country or company wanting to develop and test nuclear weapons and their support systems in Canada.

The document urges Mulroney to make it clear to the U.S. and the So-

viet Union that Canada wants an end to nuclear weapons testing.

"We Canadian women recognize that our government, at the Geneva Conference on Disarmament and in the United Nations General Assembly, has avoided making an unequivocal commitment to immediate negotiations for a comprehensive nuclear weapons test ban treaty," the letter says.

"We are . . . prepared to pledge that in the next federal election we will support only those candidates committed to working for peace."

/9274

CSO: 5220/41

LACK OF CONSUMER CONSCIOUSNESS IN EMERGENCY SITUATION

Athens I KATHIMERINI in Greek 20-30 Mar 87 pp 1, 7

[Article by Giannis Kotofolos: "In the End Only the Supermarkets Were Attacked..."]

[Excerpt] Yesterday the marketplace reflected the familiar and very discouraging picture we are accustomed to calling "the syndrome of the evaporated" or more properly, "the occupation syndrome" of the Greeks. Yesterday morning the Athenian consumers made a massive assault on the food stores, buying enormous quantities of products considered necessary in time of need.

The lines formed at 0730 hours outside certain supermarkets, reminding us of the days of the Chernobyl nuclear catastrophe. Sometime later consumers stormed into the stores, virtually sweeping from the shelves all canned milk, legumes, pasta, frozen vegetables, sugar, and all kinds of canned goods.

It should be noted that a similar disturbing picture was observed also in the morning at the gas stations as Athenians rushed to fill the tanks of their cars.

Commenting on yesterday's developments at the marketplace, appropriate officials pointed out disturbingly that the phenomenon of consumer panic--despite all the hardships the country experienced in the past--in no case can today be considered justified. In essence, these developments reveal a deep crisis in social relations and especially a crisis of trust between the public and the government. The same officials stressed the following:

First. The invasion of the food stores each time a serious event develops clearly shows a complete lack of consumer conscience by a large section of the Greek population. And the most recent experience has proved that the massive purchases of essential consumer goods and especially of quickly consumable foods in essence constitute a needless income waste which in the last analysis feeds the development of profiteering and the undesirable--at this phase of our economy--increase of imported goods.

Second. The massive family purchases are a manifestation of unrestrained individualism, a phenomenon which in certain cases can deprive those who could not quickly purchase stable commodities of basic goods. In reality,

such behavior and the possible shortages hurt the classes with the smallest incomes since they do not have the monetary comfort for buying provisions.

Third. The lack of self control on the part of consumers during critical periods, undoubtedly reflects a lack of trust on the part of the public in the government and the handling of appropriate authorities. With all the more reason at the root of this crisis is the fact that the public is insufficiently informed about serious problems and the real possibilities or weaknesses of the marketplace.

It is noteworthy that at this moment the main warehouses of the larger food-stuff enterprises are full with reserves of milk and other basic consumer goods.

7520

CSO: 3521/106

STATISTICS ON UNEMPLOYMENT, WAITING PERIOD BETWEEN JOBS

Madrid YA in Spanish 26 Jan 87 p 13

[Text] The labor market in the Community of Madrid is represented by an active population of 1,731,500 persons, of whom 1,347,400 are employed and 384,000 unemployed, resulting in an unemployment rate of 22.2 percent. These data and others given in this report were gathered from the annual statistical report of the Autonomous Community of Madrid, whose sources are the population census, a survey of the active population, and unemployment statistics.

The most revealing data, among others, are: More than 44 percent of those unemployed have been seeking employment for more than 2 years. The people who are employed are working principally in the services sector. Sixty-eight percent of the employed work in this sector, while the total percentage for Spain is 50 percent. Nevertheless, there are some municipalities whose principal industry is agriculture, with more than 60 percent of the people working in agricultural jobs. More women are employed in the Community of Madrid than in the rest of Spain.

Of the total working population, 59 percent are men and 30 percent are women. While the services sector employs 68 percent of the active population, industry is second, employing 26 percent. Only 1.3 percent, or about 22,000, of those employed are working in the agrarian sector. As for the professional employment situation, there are 1,145,000 wage-earners, while the figure for non-wage earners is 200,000.

While we stated that 44 percent of the unemployed have been seeking employment for more than 2 years, 23 percent have been looking for work for between 3 months and 1 year, while 9 percent have been job-hunting for less than 3 months. In Spain as a whole, the percentage of unemployed who have been seeking work for more than 2 years is 34 percent.

Higher Unemployment Rate Among Youths

The rate of employment for those between 24 and 54 years of age is 64 percent. The highest percentage of unemployment, or 63 percent, is found among youths 16 to 19 years of age, while the rate for [all of] Spain is 65 percent. Insofar as unemployment and employment relate to the level of education, we find

the following figures: 85 percent of those who have received higher education are employed and 14 percent unemployed; on the other hand, the rate of employment among those who are uneducated is 83 percent and the unemployment rate, 17 percent. The highest unemployment rate, or 30 percent, is among those who have completed intermediate studies. The highest unemployment rate by sector is in construction, with 35 percent, while the industrial sector shows a 15 percent rate.

As Luis Alejandro Cendrero, economic vice president, explained a few days ago, the economic figures for the labor market in the third quarter of the year in question are actually positive. According to the Survey of Employed Persons, compared with the same period in 1985 the number of employed is higher by 113,000. Since this increase is greater than the net entry into employment, it has caused a reduction of 16,000 persons in the number of unemployed, a reduction which has shown up for the first time since the aforementioned survey was established in 1979. The positive evolution recorded in the chief variables in the labor market is reinforced by the results of the Survey of Employed Persons for the third quarter of 1986.

8735/9738

CSO: 3548/44

RISE IN UNEMPLOYMENT ELICITS REACTIONS

Hansenne on Policy

Brussels LE SOIR in French 9 Feb 87 p 1

[Interview with Minister of Employment and Labor Michel Hansenne by Benedicte Vaes]

[Text] [Question] In the light of spreading unemployment, you are calling upon employers and the labor unions to come to the rescue. Why are you now sounding this dramatic SOS whereas, on Tuesday, you commented calmly on the ONEm [National Employment Office] report showing almost 31,000 more unemployed in 2 months?

[Answer] If this figure were true, it would indeed be a national disaster. But December and January are always bad months for seasonal reasons and above all because of the registration, with the ONEm, of young people who, after graduating from school last summer, have not yet found work. However, I am worried about a rising trend in unemployment. After stabilization since 1985, followed by a drop, the curve now seems to be going in the other direction again. We are also taking precautions. There is no question of letting things slide in an area where decisions always require long lead times before they are expressed in actual facts.

[Question] You always announced that you would respect the autonomy of negotiations between social partners. Do you expect now to exert pressure on them?

[Answer] The administration has pledged itself to go by the interprofessional accord which they concluded. The success of this accord, the practical implementation of democracy, and social peace are also fundamental values. The problem is that a series of sectors and above all enterprises concluded agreements at their level which are not exactly in line with this blanket accord. And that worries me.

[Question] What are those "bad" agreements?

[Answer] Without wishing to assign good and bad points, I would say that the metalworking sector concluded an exemplary agreement. On the other hand, the

strikes in the Antwerp region resulted in wage hikes without any provisions calling for more jobs.

[Question] How can one force sectors to hire more workers if they do not want to do so?

[Answer] Not all of them are in an economically favorable situation when it comes to hiring. And this is not a question of harming their competitive capability. In this case we are looking forward to other efforts, in the area of training and retraining, for example. But certain labor union officials prefer wage hikes in an effort to restore the purchasing power as much as possible after years of austerity. I do not want to blame anybody. I am only saying that we will not find a solution to unemployment if there is no effort of solidarity.

[Question] Which you would impose?

[Answer] No, we will go by the rules of the game. But we will try to persuade before the bets have been placed. So far, only 25 agreements have been concluded out of a total of 200.

[Question] And if you do not manage to persuade anybody?

[Answer] We will study supplementary public initiatives. This is because a policy of economic revival entails the risk of having no specific effect on those high-risk unemployed who are unskilled.

[Question] Will not the ONEm figures "shrink" automatically as a result of the elimination of the hard-core unemployed which takes effect this month?

[Answer] I do not expect any spectacular effects to the extent that I do not think that these unemployed have high-income spouses. This is contrary to the minister of budget who figured on 20,000 exclusions.

Government Makes Appeal

Brussels LE SOIR in French 12 Feb 87 p 2

[Article by Benedicte Vaes: "While Imploring Employers and Unions to Create Jobs, the Administration Reduced the Hiring of Unemployed"]

[Text] The administration received employers and unions this afternoon in an effort to implore them to create more jobs through the instrument of future collective bargaining agreements.

In short, to concentrate all their efforts on hiring, at the expense of wage hikes, in order to compensate for the spread of unemployment in recent months.

We must note that this deterioration is concentrated above all in the services (education, in particular) and that it thus reveals an obvious link with the first repercussions of Val-Duchesse.

The FGTB [General Federation of Labor of Belgium] recalls that there was never any question of using the interprofessional accord between social partners in order to make up for job losses (18,000, it says) caused by the recovery plan. It maintains that the administration still does not want to impose any obligation on the employers.

The FEB [Federation of Belgian Enterprises] in turn will again go to bat for part-time work, a formula which, says Raymond Pulinckx, will have the most immediate quantitative effect on jobs, and especially on the progressive integration of young people into the enterprises. While demanding that the private sector make an effort, will the administration assume its own responsibilities? Last Friday, it announced that it would make a gesture by aiding communities and the CPAS [Public Center for Social Aid] in hiring 5,000 more "subsidized contract employees." In an effort to reduce the unemployment fever, did the administration decide to stuff vitamins into the programs designed to put unemployed to work? Evidently not. This therapy cannot have any to virulent effects on the sacrosanct budget. While the administration is offering 5,000 hiring bonuses to the communities, we find that, in just a year, it dropped 12,000 spaces from programs designed to put people to work.

The number of CST (temporary special cadre) as a matter of fact declined by 8,000 units between January 1986 and January 1987. During the same period of time, the number of CMT (unemployed put to work) declined by 3,200 units and that of TCT (third work cycle) went down slightly by 750 units. In short, the blood-letting involves some 12,000 persons. This figure is not compensated by the 5,000 new community employees.

And that does not include the fact that the budget funds necessary to finance those 5,000 positions will be taken from the allocation consisting of loans granted to unemployed who set themselves up as independent workers. This formula, according to Minister Hansenne, "has reached its cruising speed." Cruising speed or braking speed?

So far, the communities have gotten the green light for 32,000 hirings, both full-time and part-time. Those 32,000 bonuses are converted into as many CMT or TCT "contract workers" who had earlier been employed in the communities. The new formula is definitely more advantageous for the "contract employees" who will get real status, with wage schedule increases. But what about the communities? Will it be more or less burdensome? Analyses differ.

Under the old system, the communities did not pay anything for the TCT and, for the CMT, they received a subsidy equivalent either to 70 percent or 50 percent of their cost.

Under the system of subsidized contract workers, they will have to pay the wages but they will also be exempt from the employer expenses and they will get a bonus of 400,000 francs per employee, provided they maintain the total community employment volume (of 230,000, in the other cases). The cost will obviously be less high than if they had to go for nonsubsidized hiring, with

employer expenses; the total bill would then be around 2.4 billion. However, even if partly subsidized, will the cost of the contract employees be such that it can be borne by all communities? Everything depends on the type of unemployed they have been using until this year. Those that essentially employ TCT, will run into major expenditures. Those that recruited above all CMT will make major savings, it is said in Hansenne's shop. It is too early to check the number of well-off or poorly-off communities out in the field.

In addition to this community problem, there is the financial headache of the private promoters (ASBL [Nonprofit Organization]) who will have to pay 10 percent of the cost of one CST and 5 percent of the cost of one TCT. This of course applies with the exception of associations for social assistance to the needy who will get expenses. On the other hand, the ASBL active in the field of sports, culture, the environment, the Third World, etc., will have to pay 65,000-95,000 Belgian francs per CST. There is therefore reason to fear that there will be job cutbacks.

Maystadt on Consequences

Brussels LE SOIR in French 14/15 Feb 87 pp 1, 2

[Interview with Minister of Science Policy and Planning Philippe Maystadt by Benedicte Vaes: "More Unemployment Would Threaten Val-Duchesse"]

[Text] Philippe Maystadt outlined his position. On the eve of the budget debate and also on the eve of the congresses which the PRL [Liberal Reform Party] and the PS [Socialist Party] are holding this weekend (a word to the wise!), the vice premier from the PSC [Christian Social Party] (the Christian Democratic Tendency) and minister of economic affairs disclosed to LE SOIR his thoughts on two key subjects: jobs and energy.

Jobs and the government budget are inseparable, says Philippe Maystadt. Before any budget control, he adds, we need to implement "employment control" such as it is spelled out on the list of "positive" measures of Val-Duchesse that so far have not been implemented. And he mentions several examples, often taken from the field of national education, under Andre Damseaux. But if that were not enough--and if unemployment were to look somehow better in July--he wants a revision of Val-Duchesse for social but also for budgetary reasons.

And he wants to suggest a revision of public investments (which would be made more selective and, why not, bigger), a re-examination of access to certain professions (to prevent excessive corporation control), and a reduction of social contributions for very poorly skilled workers.

With energy and, in particular, with electricity, Philippe Maystadt tackles a big and very sensitive chunk. He explains to us that he does not want to decide today on the construction of a new nuclear power plant, not because of an a priori attitude, but because he is not convinced that it would be indispensable. He wants to wait for the results of new studies. Moreover,

he wants to intervene in this sector in a very broad fashion: more for the poor, against cutoffs, for better rates for the steel industry, etc. An "electrical" subject which we will undoubtedly talk about again and again!

[Question] How do you respond to the abrupt rise in unemployment over these past 2 years?

[Answer] These figures certainly are a signal for us to be on the alert. They are not a red light; they are a blinking light. Of course, job losses were anticipated; in its declaration to Parliament, the administration had announced that the Val-Duchesse plan, like all of the restoration plans, would have a negative impact on employment.

But, in the spirit of the administration, these job losses should be made up for through the interprofessional accord. The government counts rather heavily on the private sector to pick up the slack.

Unfortunately, we find that sector negotiations could become derailed. They do not comply with all of the already timid interprofessional agreements which recommended devoting 0.5 percent of the total wage volume to employment. The administration also summoned the social partners. The latter agreed to participate in a study group chaired by Minister Hansenne in an attempt to improve the integration of young people into the enterprises.

Following Its Commitments

[Question] Before throwing rocks at the social partners, should not the administration begin by cleaning up its own front yard and by complying with its own commitments in support of employment?

[Answer] Certainly. The measures announced at the time of Val-Duchesse were not all carried out. Their implementation is a priority for the administration. This is the purpose of the "job control" which is currently being performed by an interministerial study group. It must be finished before the end of the month in order to supply an element of evaluation for the budget control which will follow after that.

[Question] What are these measures that are to be carried out immediately and from which you expect so much of an effect?

[Answer] For example, the decision to organize Dutch language courses in the 5th and 6th primary grades by hiring unemployed instructors as ONEm trainees or as CMT. Or the retraining of teachers temporarily replaced by other unemployed teachers. This measure--for which we have an allocation of 800 million--should make it possible to improve both the job situation and the quality of teaching. But it has not even been started yet. Another measure which has been carried out only partly involves the boost of centers on reduced hours. Others purely and simply remained in the files: training programs for young people in public services or the reduction in social contributions for unemployed who have low skill levels and who are hired for seasonal, agricultural or horticultural work. Finally, sticking to the

budget commitments for the CST and the TCT whose number is currently lower than estimated originally. Slow administrative procedures are one way of making savings without saying so.

[Question] Do not other measures, which have already been carried out, seem to meet with definite success?

[Answer] The third stage involves disclosing these measures far and wide. The employment minister will launch a vast publicity campaign on this topic. The idea is especially to brief the enterprise heads and independent operators on the social contribution reductions to which they are entitled when they hire unemployed.

[Question] Do you believe that this range of measures is effective enough to stop rising unemployment?

[Answer] If it is not enough, we will have to contemplate other decisions in connection with the drafting of the 1988 budget in July, when private sector negotiations are finished.

Do We Need a New Val-Duchesse?

[Question] In other words, revise Val-Duchesse?

[Answer] If unemployment keeps going up, if job losses are in excess of the number of 18,000 which we figured on, then we will indeed have to revise Val-Duchesse. This revision would be automatic to the extent that a further rise in unemployment would spontaneously increase the budget deficit; it would increase the state's expenditures and it would reduce tax revenues and social security contributions. We must fight both against unemployment and against the budget deficit. It would be untenable to concentrate all efforts on the budget while neglecting unemployment--a stain which is at least as important in the eyes of public opinion. But it is not possible either--unless we want to increase the debt further--to fight against unemployment with massive commitments in the public services as we saw during the 1970's--years during which unemployment by the way continued to go up. However, if unemployment increases, we will have to slow our recovery efforts down momentarily, to the same proportion as the increase in unemployment.

What About Public Investments?

[Question] What decisions could come from a "Val-Duchesse II" devoted to employment?

[Answer] Without talking about the areas of competence reserved to the minister of employment, I for my part am thinking of public investments. I am not asking for a substantial increase in those investments but it is my opinion that one should encourage those that are most likely to produce jobs. For example, urban renewal and the restoration of industrial sites. I believe that, after thesis and antithesis the time for synthesis has now come.

For many years, we have been devoting enormous sums of money to public works--including "huge useless projects"--and then the whole operation was stopped abruptly by a standard reduction to 64 percent. The moment has undoubtedly come for being more selective and not making investments for the sole purpose of creating jobs but because they meet a need.

[Question] Are there any other ways to create jobs?

[Answer] I am struck by the paradoxical situation of professions where they have both huge unemployment and a manpower shortage. Should we not reduce the burden of social contributions that represent a big obstacle to the hiring of unskilled personnel? We should also ask ourselves some questions about the rules of access to professions. Some people fully justify themselves by their concern for respecting the consumer. Others seem abusive. We must, profession by profession, examine those that prevent the admission of qualified persons and that thus increase black-market labor.

[Question] That measure would not cost anything. But are you proposing others today that would burden the government budget?

[Answer] Not fighting effectively against unemployment would also increase the budget deficit.

5058

CSO: 3619/30

DISSAPPOINTING RESULTS IN TRADE WITH USSR

Athens I KATHIMERINI in Greek 25 Mar 87 p 6

[Article by Kostis Stambolis]

[Excerpts] The recent Greek-Soviet talks on the still-pending issue concerning construction of the alumina plant in Voiotia as well as on the purchase of Soviet natural gas and construction of a pipeline through Bulgaria, again brought to the surface the issues of our relations with the Soviet Union, with which our trade in 1986 has been exceedingly disappointing.

As is known, compared to 1985 our exports to the Soviet Union in 1981 dropped considerably. Of the Soviet imports, valued at 233 million rubles (1 ruble = 0.65 dollars), Greece exported goods and services valued at only 52 million rubles.

Indicative of the way the Soviet Union deals with small countries such as Greece is the Soviet's insistence that our trade balance should not include purchases--payable in hard currency--of about 1.5-2.0 million tons of crude oil Greece imports annually from the Soviet Union and whose value corresponds to about 120-150 million dollars.

In all their trade deals the Soviets always advance the view that oil purchases do not count as commercial products and therefore should not be taken into account in the trade balances of the two countries.

Reliable Soviet sources said that despite all discussions and negotiations with Greece (and the signing of protocols which of course cannot be called agreements) no substantial progress has been noted except in the ship-building sector. These sources added that the Greek side is to blame for such lack of progress because it does not share the Soviet views and positions about correlating the whole issue of improving Greek-Soviet relations with the signing of a definite agreement for buying Soviet natural gas.

The same sources pointed out that the Soviet side is already annoyed by the obstructions of the Greek government in implementing already reached and signed agreements such as the one about the alumina plant. As concerns the case of natural gas, the Greek government appears unable to arrive at a definite decision despite the fact that technical preliminary studies and

discussions of experts were completed many months ago. With some irony the Soviets observe that with regard to Soviet natural gas, Turkey today is nearer to reaching an agreement than Greece even though it started negotiations much earlier than Turkey--in 1978.

On the other hand, the Soviet Union is disappointed by the lack of serious developmental programs in Greece where opportunities could be created for technical cooperation between the two countries.

With regard to the question of natural gas and its possible procurement from the Soviet Union, Greek officials told us that the government is seriously preoccupied with the issue and that it also looks for other solutions more economical and better serving the needs of the greater Athens area and which could possibly be combined with foreign investments and import of technological information.

7520

CSO: 3521/107

MEASURES PLANNED TO EXPEDITE PRIVATE INVESTMENTS

Athens I KATHIMERINI in Greek 18 Mar 87 pp 1, 5

[Text] The National Economy Ministry [YPETHO] under whose jurisdiction now comes the approval of all productive investments, has promulgated definite regulations regarding relations between investors and the state. Henceforth, provided it has obtained the legal YPETHO permits, a private investor will be able to proceed in realizing his productive program even if other ministries or agencies (including social organizations) raise objections.

The new regulations were announced by YPETHO Deputy Minister And. Georgiadis who said that we must sometime make a decision if we want development or not, "if we want factories or grass or whether we should put a stop to productive projects because very few environmental groups are raising objections. As long as the investment has been approved the law will be enforced and implementation of the investment will be realized."

Georgiadis said that the government's policy will be implemented even in the event other government ministries have a different opinion. If, for example, YPETHO has approved the establishment of a technologically modern livestock feed plant for which indeed foreign capitalists have submitted bids, any objections by the Agricultural Ministry that the new project will threaten existing old units will not be considered. The Agricultural Ministry will, of course, be updated when the investor submits his application and its arguments will be heard, but the final decision rests with the YPETHO.

Directions

In the context of this new policy, Georgiadis sent the following circular letter to the services giving directions for expediting the cases of private investors:

"Because of noticed delays and unnecessary procedures from the day private investors submit their applications until such applications are forwarded to the Reviewing Board and in order to shorten time and simplify procedures, you are requested to implement the following immediately and until the new system is introduced:

"1. The transfer of the [applicant's] file from one service to another should be made on the same day or the next day at the latest.

"2. If the views of other services must be asked, such a request should be made the day the application is received or the next day at the latest. The file should not be sent to the service but the interested service should be asked to review it, if it so desires, in the YPETHO office.

"3. In no case will the request for views of other services interrupt the evaluation of the investor's application. Such evaluation will be continued and completed with or without the views of other services.

"4. If received on time the views of other services are simply outlined in the cover memorandum to the Reviewing Board and it is the responsibility of the service's representative to support them during the Board's meeting.

"5. It is permitted to ask additional information about each application only once at the beginning of the reviewing process and indeed within 7 days from the day the application was received (by the Evaluation Directorate).

"6. Information concerning the cost of the investment is requested as per Paragraph 5 above but only as long as it is indispensable in determining the basic amount of the proposed investment.

"7. Additional information can be asked as per Paragraphs 5 and 6 above, but only in writing and against receipt and such information is received also in writing and against receipt.

"8. The above will go in force the moment this circular is received and will stay in force until the new system is introduced according to which the desirability of an investment is evaluated by the YPETHO and its viability by the banks."

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CSO: 3521/107

JANUARY STATISTICS SHOW DECREASE IN TRADE DEFICIT

Athens I KATHIMERINI in Greek 20 Mar 87 p 7

[Text] In January 1987 the current accounts balance deficit decreased by 67 percent compared to January 1986. National Economy Minister K. Simitis discussed this decrease with cautious optimism. "This improvement is a good start," he said, "but the future remains uncertain and difficult and we should be careful. The drop in the deficit does not mean the current accounts balance problem has been solved." According to Bank of Greece data:

--Imports in January reached 785 million dollars (a 15 percent decrease). Excluding fuels, imports totaled 671 million dollars (6 percent decrease).

--Exports reached 348 million dollars (5.9 percent decrease) and 318 million dollars excluding fuels (1.9 percent drop).

--The trade balance was 437 million dollars (21 percent decrease).

--Invisible resources (travel, transportation, immigrant remittances) reached 553 million dollars (6.6 percent increase).

--The current accounts balance deficit reached 77 million dollars (66.6 percent decrease).

--At the end of January, the foreign exchange reserves had reached 2,365 million dollars.

More specifically, a press release by the Ministry of National Economy states that: In January the current accounts balance deficit reached 77 million dollars compared to 231 and 413 million dollars in the corresponding months in 1986 and 1985, respectively. This improvement by about 67 percent constitutes a good start for 1987.

The real improvement is still more significant if we consider the fact that during the 12-month period up to January 1987 the dollar was devalued by about 20 percent in terms of the currencies of Greece's main trade partners.

Yet, no special significance should be attached to the results of 1 month, especially since the trade balance developments during the first 1987 months

were effected by special factors. The introduction of the Added Value Tax, the cancellation of compulsory deposits for imports, the decrease in subsidizing exports, the decrease in the adjusting tax on imports and the recent unfavorable weather conditions are factors whose time effects cannot be accurately estimated. For the first 6 months one should not exclude important fluctuations from month to month without sharp downward trends.

In response to reporters' questions about imports of agricultural goods as a result of the crop damage caused by the inclement weather, Simitis said: "We cannot as of now determine the size of the damage and the level of imports. Any assessment is premature. I believe that we will have estimates in 2-3 months."

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CSO: 3521/106

STATISTICS ON INDUSTRIAL UNITS SHOW RISE

Athens I KATHIMERINI in Greek 24 Mar 87 p 9

[Excerpts] Between 1978 and 1984 the number of industrial and handicraft plants throughout the country increased from 128,988 to 144,742 while employment increased from 671,496 to 689,653 persons. The business sector also marked improvement. The number of enterprises increased from 185,863 in 1978 to 212,001 in 1984, while the number of persons they employed increased from 378,798 in 1978 to 388,192 in 1984.

These changes are reflected in the report the National Statistical Service announced concerning the results of the census taken on 28 September 1984. The report's data give certain essential information about the structures of Greek industry and trade as well as about the changes which occurred (number of units and persons employed) during the period between the two census taken in 1978 and 1984.

1. A total of 362,582 units were listed in the following branches: mining, 37 percent; industry in general, 39.92 percent; production of electric energy, natural gas and steam, 0.13 percent; water supply, 1.1 percent; and wholesale and retail business, 58.47 percent.
2. In the industrial branch, first in number are the clothing and footwear units which total 21,788 (15.05 percent) followed by: 19,811 (13.69 percent) units in the construction and repair of transportation means; 19,708 (13.6 percent) units in selling foodstuffs, excluding beverages; 15,634 (10.8 percent) units in processing metal products; 13,769 (9.5 percent) in lumber processing units. The rest of the branches follow in smaller number of units and percentages.
3. Employment by branch is as follows (on the basis of the total average annual employment): mining, 21,864 persons (1.92 percent); industry-handicrafts, 698,635 persons (61.45 percent); electric energy, etc., 19,999 persons (1.76 percent); water supply, 8,315 persons (0.73 percent); and wholesale and retail business, 388,192 persons (34.4 percent).
4. Employment percentages in the various industrial branches are as follows: foodstuffs, 14.27 percent; clothing and footwear, 14.14 percent; transportation means, 10.78 percent; textiles, 9.37 percent; and metal products,

7.57 percent. The remaining percentage of 43.78 percent of employment is distributed among the rest of the industrial branches.

The number of units and the average annual employment according to the 1984 census compared to the corresponding figures of the 1978 census show total increases of 13.13 percent and 2.79 percent, respectively.

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CS0: 3521/106

BRIEFS

EGYPTIAN OIL IMPORTS--The talks Commerce Minister Pan. Roumeliotis had with high Egyptian officials during his recent visit to Cairo were successful. The agreements reached include, in part, the purchase by Greece of 300,000 tons of oil from Egypt, and the purchase by the latter of tobacco worth 20 million dollars from the Greek Tobacco Organization. The purchases will be based on the products' exchange system. [Text] [Athens I KATHIMERINI in Greek 28 Mar 87 p 7] 7520

CSO: 3521/107

INDUSTRY SEEN WELL POSED TO MEET COMPETITIVENESS CHALLENGES

Stockholm DAGENS NYHETER in Swedish 24 Mar 87 p 17

[Article by Jan Magnus Fahlstrom: "Good Position For Industry"]

[Text] Swedish industry is better prepared for the future than it has been in the past 20 years. During the 80's its productivity and profitability have greatly improved. Its willingness to invest is good, its level of knowledge is high, and by and large the trend in its production is good.

The National Industrial Board (SIND) is presenting this good report card. It occurs in an appendix to the 1987 long-term report "Industrial Renewal" which was published on Monday.

However each and every one of the positive assessments is accompanied by one or more "buts."

According to SIND, the 10 percent devaluation in 1981 and the 16 percent devaluation in 1982 resulted in a 17 percent devaluation for industry. SIND arrived at this figure by subtracting price increases for imported investment goods from the effect of increased competitiveness produced by the devaluations. At the end of 1986, the report says, what was left over for industry was approximately nine percent.

But production costs around the world have been rising since 1983, which is disquieting.

Center Of Gravity

Industrial change has brought with it a strong displacement of the center of gravity within Swedish industry towards laboratory and chemical products.

But the high technology industry (pharmaceuticals, electronics, computers, instruments, telecommunications products, airplanes) has not expanded all that much and is responsible for not more than approximately seven percent of Sweden's industrial production. There are indications that Swedish industry has difficulties holding its own in the high technology products market.

Swedish industry has enjoyed more success in recent years than it had in the

70's by orienting itself towards markets beyond the traditional West European ones.

But it did not have sufficiently great staying power in the most rapidly expanding markets to derive maximum benefit from the 1981 and 1982 devaluations.

As regards the level of investment, SIND points out that the picture becomes misleading if only material investments in plants and machines are calculated. Non-material "soft" investments in research and development (r&d), marketing and training are just as important and today play just as great a role.

As the diagram shows, thus far r&d and marketing have accounted for a greater share of heavy industry's 1985 investments than plant and machinery investments. SIND also points out that r&d investment as a percentage of business' appreciated value is greater in Sweden than in other industrial countries.

But even if the level of investment cannot be viewed as disturbingly low with respect to what desired industrial growth would require, the authors of the report are not satisfied. They write that, to too small an extent, total investments have been aimed at what is seen in an international context as the industrial growth sector. And insufficient attention has been paid to non-material investments.

SIND wants Sweden to invest more in its own high tech industry, in those areas where the most rapid international market growth is occurring.

Basic Industries

But, keeping in mind the fact that the high tech part of industry accounts for only seven percent of industrial production, the compilers reason that it is too small to serve by itself as a growth initiator. Dependence on traditional industries--mines, steel, and the forestry and pharmaceuticals industry--remains.

So we must invest in them as well, is the conclusion. This will take place by having processing industries utilize high tech. "Technique dissemination" and "increasing skills" are some of the report's key phrases.

And, just as the long-term study's principal report and a number of its additional appendices do, the SIND report sermonizes that the trend of rising Swedish costs as compared with the rest of the world must be halted if everything is not to go to the dogs.

DIAGRAM CAPTION

Industry's Investments

In 1985 heavy industry invested more on research and development plus marketing than on plants and machines. Calculated as a percentage of a firm's appreciated value, Swedish firms invest more on research than competitors in other industrial countries.

ARMY RETIREMENTS, PROMOTIONS LISTED

Athens I KATHIMERINI in Greek 20 Mar 87 pp 1, 3

[Excerpts] By decision of the Supreme Military Council [ASS] the following brigadier generals are promoted to the rank of major general and are retired, having honorably ended their career: Konstandinos Varelas (procurement-transportation), Konstandinos Fagogenis and Alexandros Kondos (war materiel), Athanasios Merkouris and Mikhail Daskalakis (recruitment).

Also, by decision of the ASS the following major generals are placed in retirement: Georgios Kougitakis and Panagiotis Klendros (technical), Emmanouil Perissakis and Khristos Arkhimandritis (procurement-transportation), Mikhail Tamiolakis and Stylianos Giourelis (ammunition service), Ioannis Dimoiliopoulos and Minas Kondakis (medical service), and Panagiotis Panagagos (finance).

The following brigadier generals are promoted to the rank of major general: Kharalambos Khotouman and Dimitrios Nziakhrastos (technical), Nikolaos Kondoravdis and Georgios Leondiou (procurement), Konstandinos Kotsiras and Dimitrios Milidonis (ammunition), Kharalambos Tsariridis and Georgios Pthenakis (medical), and Stavros Zorboldas (finance).

The same ASS decision promotes to the rank of major general the following brigadier generals who subsequently are being retired, having honorably completed their career: Georgios Avgerinos, Ioannis Liakopoulos and Dimitrios Kallinderis (technical), Konstandinos Mylonas (procurement), Ioannis Zabatas (ammunition), Spyridon Kastanakis (medical), Ioannis Livadiotis, Stylianos Krezias, Kostandelakis and Petros Tsopelas (finance).

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CSO: 3521/107

BRIEFS

EAV DIFFICULTIES--Despite denials by Mr I. Kharalambopoulos, deputy prime minister and minister of national defense, that EAV /Greek Aircraft Industry/ has finally agreed to the production of F-16 aircraft components within the context of the offsets agreement provided by two construction firms, namely General Dynamics and General Electric, EAV is still facing operational problems. This at least is evidenced by the fact that it appears not to have the capability of conducting general inspections, as provided, on nine army and air force helicopters that have already completed the required number of flight hours. It is being pointed out that with respect to EAV's current inspection record, the total number of aircraft undergoing technical inspections in 1981 was 103 compared to only 43 in 1986. /Text/ /Athens EMBISTEVTIKO GRAMMA in Greek 25 Feb 87 p 9/ 5671

F-16 AIRCRAFT ELECTRONIC COUNTERMEASURES--The Greek Government is holding talks with the French firm Thomson as well as with Raytheon for the procurement of "electronic countermeasures" (receiver-jammer and dispenser) /words rendered in English/ to be installed on F-16 fighter aircraft. This is now being undertaken because of the Air Force Technology Center's inability to build this kind of electronic equipment that the government naively wanted built with "Greek hands." The delay has already been considered great and the F-16 aircraft not only will arrive in Greece 13 months later (because of a delay in the order) than when the Turks will have received their first fighter aircraft but also the Greek aircraft will be deprived of their essential electronic equipment for some critical period of time. /Text/ /Athens EMBISTEVTIKO GRAMMA in Greek 4 Mar 87 p 4/ 5671

AIR FORCE RESIGNATIONS--The number of middle-grade air force officers who have resigned now comes to 500. The reason for this situation is opposition to the bill on hierarchy and promotions that, besides abolishing "vested rights," now introduces compulsory military service for 30 years before rights to a pension can be enjoyed. /Text/ /Athens EMBISTEVTIKO GRAMMA in Greek 4 Mar 87 p 4/ 5671

CSO: 3521/104

MINISTRY OF DEFENSE IN DEBT TO ARMS INDUSTRY

500 Firms Reportedly Unpaid

Madrid YA in Spanish 27 Jan 87 p 15

[Article by Jose Garrido]

[Text] A large number of small firms which supply war materiel and equipment are in financial difficulty because of delays in payment by the Defense Ministry. Defense admits that there are more than 12,000 obligations outstanding, but it denies any responsibility.

More than 500 firms which manufacture military supplies for the various ministries, from combat vehicles and automobiles to textile items, find themselves in financial difficulties, unable to pay their suppliers and employees because of the delay by the General Directorate of the Treasury in making good on payments pending for services rendered in 1986 and even in 1985, according to information supplied to YA by some of those affected.

The aforementioned sources have indicated that, although this had happened to them before in previous years, the situation became acute at the end of 1986 and beginning of 1987, since these debts now total more than 90 billion pesetas.

In fiscal 1985 a list of creditors was drawn up and after the corresponding approval in June the amounts owed were covered. However, the situation is different now and of greater concern, and same sources add, since the ministry has requested delivery of orders before the end of the fiscal year, with the warning that they would not be accepted after 31 December.

This has forced many firms to accelerate their working schedules and to increase the number of working hours, even putting on night shifts, in order to be able to fill the orders they have received. This has also caused a large increase in labor costs, bringing new financial problems to these firms, which have had to confront higher costs, and now many of them are in real difficulties. When they try to collect from the Defense Ministry, they are sent to the Finance Ministry, where they are told there is no help for them there. Concern about this situation is growing steadily, especially since day after day, no solution to the problem is in sight.

Sources among creditors have confirmed that the Finance Ministry, in view of the avalanche of requests for payment from these business firms, could have sent all the necessary invoices--about 12,000 in the Defense Ministry alone--to the various ministries so that they might pay them, either by charging the amounts to their 1987 budgets or through facilitation of extraordinary credits.

The number of business firms involved is difficult to calculate; however, an estimate from those affected indicates that there could be more than 500 which have claims for payment pending at this time for all types of materiel.

Some of the firms to which the administration has owed and still owes payment and which are or have been on the lists of suppliers, transport firms and other creditors are: Manufacturas Valle, INDUICO, El Corte Ingles, Fabrica Espanola de Confecciones, Hispano Radio Maritima, Siemens, Marconi, Philips, Esperanza y Cia, Bazan, Land Rover Santana, Confecciones Deportivas Militares, Confecciones Industriales Madrilenas, Standard, Ferguivel, Industrias Textiles, Del Rio, Nenrod, Anglo Naval, Industria Naval e Industrial, Bazan, Santa Barbara, etc.

Defense Budget

The 1986 expenditures budget for the Defence Ministry is 727.13 billion in credits for initial expenditures. Of this amount, 92.165 billion are for purchases of goods and services, payments having been made of 60.432 billion, or 65.5 percent. The budget for real investment was 243.628 billion, of which payment of 116.712 billion, or 48.02 percent, has been ordered.

Defense Ministry Blames Finance Ministry

Madrid YA in Spanish 27 Jan 87 p 15

[Article by Fernando Rueda]

[Text] The Defense Ministry believes that the business firms involved have good reason to complain, but it denies being to blame for the problem. The department has no control over payment, which is the responsibility of the director general of the Treasury, who is being forced for bureaucratic reasons to delay the payment process.

Defense admits that it requested delivery of its supplies before 31 December 1986, which, among other reasons, caused it to have to submit more than 12,000 orders during November and December, thus causing this delay in payment of the debts.

With regard to cases remaining from 1985, which are in the minority, the ministry has given assurances that this is due to the same problem of sluggishness in the functioning of the administration. It points out that interest payments to compensate for the delay in liquidating the debts are being made in isolated cases, but that the ministry has nothing to say in this matter, either, because the decision must be made by the Ministry of Economy and Finance.

Delay in payment is not exclusive to the Defense Ministry, although, according to our sources, "in this case it is more scandalous, because the contracts are larger than in other departments and because we are the ministry with the largest investment, larger than others such as Transportation and Public Works."

8735/9738

CSO: 3548/44

BRIEFS

GENERAL OFFICERS' FIGURES--Madrid (EFE)--The number of generals assigned to the Ministry of Defense, JUJEM [General Staff Council], and the General Headquarters of the Three Armies in Madrid went down 18 percent in the last 5 years. In a parliamentary reply to Jose Cholbi Diego, deputy from the Popular Group, the government said that, between 1982 and 1987, there has been a 17-percent decrease in the total number of professional military personnel assigned to Madrid. [Text] [Madrid DIARIO 16 in Spanish 2 Mar 87 p 8] 7717

CSO: 3548/58

DECISION TO END NUCLEAR ENERGY INCREASES NEED FOR NEW SOURCES

Higher Power Costs Regardless

Stockholm DAGENS NYHETER in Swedish 23 Mar 87 p 2

[Editorial: "Higher Electricity Price A Balancing Act"]

[Text] The price of electricity has to be raised in Sweden, not so nuclear energy can be abolished but regardless of whether nuclear energy is abolished.

The price of electricity should not be raised so industry and private households will conserve electricity or use it more efficiently, but quite simply because sooner or later the presently existing electricity generating facilities will have to be replaced by new ones. That will cost billions and that money cannot be produced by waving a wand. It is time now to begin collecting that money.

Curt Nicolin discussed electricity prices in an op-ed article in DAGENS NYHETER on 21 March. He torpedoed a so-called marginal pricing of electricity with the argument that competition, if it works, will stand in the way of high electricity prices which marginal pricing would entail. Nicolin ought to know whether competition works, so in the long run it cannot keep electricity prices so unnaturally low that it becomes an unprofitable business venture. Competition can, however, make consumption move from expensive electricity to other forms of energy.

There is no healthy, going firm that prices its goods so low that it will not be able to afford to produce new goods in the future. Bit by bit its machines wear out and have to be replaced with new ones. Where does the money for the new machines come from? Well, it comes from those resources which the firm collected for new investments. And that money is there because the firm was paid enough for its goods, that is, it calculated an important cost into its prices: the costs of purchasing new machines.

Sooner or later Sweden will have to build new electric power plants, small ones or large ones. Regardless of what type of power plants they may be, the fact is that they cost money. This money has to be collected starting

now by setting a realistic and economically sound price for electricity.

Curt Nicolin wrote that to bring about price hikes for energy through administrative methods would reduce growth. It is not clear what he means by an "administrative" price hike. But one thing is certain: an increase in the price of electricity promotes energy conservation, speeds up the switch to alternative forms of energy, makes more intensive research necessary and above all gives a more realistic picture of the true cost of electricity.

We have a unique example of an unusually rapid adjustment being brought about within a very short time: the oil price crisis of the 70's. Price hikes were so rapid and uncontrolled that in certain respects adjustment was painful. Denmark is perhaps the best example in the world of the success of this adjustment. From an almost total reliance on oil, Denmark made a massive change in energy production and in favor of coal. The ideal was to spread energy production over as many competing energy sources as possible.

The oil crisis taught us that adjustment is possible. And that price increase was not even foreseen and certainly not planned. Now there is every opportunity to move gradually towards higher prices for electricity. Such a graduated increase can be carried out in a disciplined and well planned way over a very long period of adjustment.

Such an adjustment need not threaten growth. Many have even been able to state that the new energy and antipollution techniques which the final decision on ending nuclear power will eventually give rise to will give Swedish industry an advantage and a smoother and an easier adjustment than other countries will have.

Growth occurs in many ways, and one of the most interesting ideas in Curt Nicolin's article was that in the future growth will come from sectors which require less energy. Traditional heavy industry with its high energy needs will no longer account for growth, but rather services, products of the information sector, and other such areas. A factor common to them all is that they do not require as much energy.

Nicolin risks being criticized by business and trade for cautiously accepting a 10 percent increase in the price of electricity--isn't this tempting fate? No, he deserves a round of applause for saying that he accepts an increase which is unavoidable.

In all probability it will be necessary in the next two decades to make such an acknowledgement from time to time. The coat will have to be cut according to the cloth, a method not unknown to industry. It is usually called economics.

Natural Gas Alternative

Stockholm DAGENS NYHETER in Swedish 26 Mar 87 p 2

[Editorial: "A Third Path: Natural Gas"]

[Text] Next to domestic fuel and wind power, natural gas now offers a third, safer energy path for Sweden. It is a path away from both nuclear power, which will disappear, and coal, which is not needed, and oil, which will certainly still be with us but at only half the level compared with the fragile period of great oil dependency.

Natural gas is much cleaner than oil and coal and--this comes as a surprise for most people--much cheaper to distribute on a large scale than electric current and heat. In the next five to 10 years, gas will be available not only as it now is from Denmark and the continent but also from Norway in the west and from Finland in the east.

In the 90's all of Scandinavia can be linked in a gas network which offers the four countries mutual benefits: Norway and Denmark will be able to ensure markets for their vast gas resourcefulness in the long term. Finland will become not just a country of transit for Soviet gas going to Sweden and Norway but it will get its own gas from the west, which will increase its independence.

And finally Sweden, which, to be sure, is without gas of its own (unless there is a deposit under Lake Silja), which is sitting quite firmly in the saddle. With pipes and deliveries from three different sources, we can bet on market forces and count on very reasonable prices, perhaps one-half the current (domestic) gas price for Danish imported gas, a price which was frozen when the price of oil was twice as high as it is now...

In Sweden so far natural gas has been primarily aimed at industries and certain other highly qualified purposes. But it also has a major market potential for "low-level" heating via electric and combined power and heating plants as well as by regular heating, and, quite simply, to help the country's 500,000 small homes heated directly by electricity which will lack a suitable heating system on the day electric heat becomes too expensive.

And electric heat will become significantly more expensive than today's dumping price regardless of how long nuclear power can be of some help; the question is not whether but when, and at what price, homes with direct electricity will change system.

Natural gas comes into play in this area as well: with light heating units which can be moved about with the wind (!) when there is no fireplace or chimney or with gas-fed room radiators plugged in right under the window frame, as is done on the continent.

According to a report, major Swedegas customers in Skane now pay about 18 ore per kilowatt-hour for Danish gas and are said to be very pleased

with it, on account of environmental and other benefits of gas. This is so despite the fact that coal in theory makes up one-third of the price but it is by no means as flexible a fuel and brings with it a number of secondary costs.

Today Norwegians are banging on the Swedish gas door. The continent is fairly satisfied and for the new major gas finds on the Halten Bank at the 62nd parallel, there is really only Sweden as a major conceivable customer when gas begins to flow out of the North Atlantic in about 1993; negotiations are already underway.

At the same time the Finnish firm Neste is knocking. We can get gas from Finland to the Stockholm area and central Sweden as early as around 1990-91. Until then Danish and/or continental sellers can compete to fill the capacity of the pipes which have already been constructed with upwards of 25 terawatt-hours per year, as compared with the present annual rate of 4-5 terawatt-hours.

Sweden and every industry in the starting group in Sweden's gas age should be calm when prices are negotiated and also see to it that the ice is broken up rapidly and extensively. Do not let dumped nuclear energy plug up new initiatives, some of which have occurred with wind power and domestic fuel.

Tomorrow, Friday, the Social Democratic Party's executive committee will meet again for a fight over the pace and the calendar for ending nuclear energy. In the delaying backfire which heavy industry has set with the assistance of the Swedish Federation of Trade Unions or some larger trade unions, it sounds as if only expensive and dirty and, above all, delayed coal energy (with a start-up period of up to eight years) can replace the 50 percent of nuclear power which presumably cannot be saved away or replaced by anything other than electricity.

Talk of coal condensation as the only or the best replacement for nuclear power must be propaganda to counter better counsel. The energy department knows full well that Asea Laval in Finspang, Brown Boveri in Switzerland, and others offer turnkey-ready, gas-driven combined power plants which can be built in just two years!

Asea Stal, for example, offers plants of 280 megawatts of electricity which consist of two gas turbines of 100 megawatts each and one 80-megawatt steam turbine. Two such plants would replace next year's production from a Barseback reactor or Ringhals 1. And with a gas price at or under 10 ore per kilowatt-hour, power will become cheaper and much cleaner and--not the least of all--it will arrive much sooner than coal power can be constructed.

It would be well worth if it building something of this sort could be started as soon as possible at Barseback, even if the price of gas in the initial years is much too high. It will plunge shortly after the Halten Bank and others come into the picture!

Industry Accepts Nuclear End

Stockholm DAGENS NYHETER in Swedish 24 Mar 87 p 17

[Interview with energy expert Lars G. Larsson of the Federation of Swedish Industries by Dan Magnerot and Bob Melander; date and place not specified: "Nuclear Power--What Now?; Industry Accepts The End"; first two paragraphs are DAGENS NYHETER introduction]

[Text] Ending without enthusiasm. That is now attitudes at the Federation of Swedish Industries and the Swedish Federation of Trade Unions can be characterized in the spring of 1987, while the government beavers away at a bill of principles for ending nuclear power.

Today we initiate a series of articles with an interview with the Federation of Swedish Industries, the Swedish Federation of Trade Unions and the Defense Research Institute to follow.

As early as the autumn of 1986, six years after the popular referendum on nuclear power, the Federation of Swedish Industries decided to accept the end of nuclear power in the year 2010 as a political reality. The decision came in conjunction with reconsideration of the matter after the Chernobyl catastrophe. The Federation says a blunt no to any reactors being closed as soon as 1993 and 1996.

So Lars G. Larsson, the Federation of Swedish Industries' energy expert, told DAGENS NYHETER.

"The Federation of Swedish Industries is now emerging as a representative of electricity consumers. We want to have guarantees that access to electricity will not limit future industrial development. We will not get involved in deciding by what means the power is produced," Larsson said.

[Question] Was the decision in the fall of 1986 to accept an end to nuclear power a hard decision?

[Answer] Yes, I think it was. We had a number of discussions. It wasn't as if everyone got up and shouted hurrah. But it was a clear and straight-forward decision which was taken even if it was tough emotionally for industry.

We stated our conditions that industry continue to receive the electricity it needs and at reasonable prices. We also wanted to give the decision a chance to see whether the politicians are serious and whether they will manage to end nuclear power.

Lars G. Larsson also said that on the energy issue the Federation of Swedish Industries takes on the user's role. This was the logical consequence of the Federation's representing a number of different interests.

"We cannot favor some within the Federation and not favor others. That is not our role. Neither will we take a position on whether nuclear power should be replaced by oil, gas or coal. What we shall see to and work for is industry's getting the electricity it needs."

The Federation hopes some larger demonstration plants will be built as soon as possible. Furthermore the Federation entertains hopes of increased hydro-power and access to natural gas.

"Neither can we say that we have to have those prices prevailing today."

[Question] Why did you announce so loudly, and with worst-case scenarios, what would happen if nuclear power were brought to an end?

[Answer] We asked most of the questions in advertisements. We were afraid that the decision, whose effects could not be calculated, would be interpreted in a storm of emotions. We certainly had to know what would come instead if one-half of the country's electricity production were taken away. That is a user issue.

[Question] How does industry view prospects for bringing nuclear power to an end starting in 10 years and going up til 2010?

[Answer] It is obvious that the end will come.

[Question] How much can industry make better use of its electricity?

[Answer] Not very. Despite all efforts, the electricity bill for several industries is already so big that everything has already been done today to reduce costs. What disturbed us was a rapid end to nuclear energy, a big hike in the price of electricity, and industrial closings.

Industry can't just go out and say that people won't heat their houses with electricity just because industry needs power. Politicians might do that. Industry needs to be careful about getting electricity at the expense of others. Today we think that power production should be built up which will replace nuclear power and accept moderate price increases in connection with this.

The trade unions are also anxious for industry and are collaborating on the end to nuclear power. On the energy issue labor and industry agree. This might explain why it was no coincidence that the Federation joined with the Federation of Trade Unions (LO) and the Central Organization of Salaried Employees (TCO) in writing about the matter.

"It was wonderful how it worked with the unions. We joined together with LO and TCO and did so without any major negotiations. I met Bjorn Rosengren (the TCO chairman) and Rune Molin (vice chairman of TCO), and we managed to sit next to one another at a lunch."

"I said then that the Chernobyl clean-up could not form the basis for a decision since, among other things, it didn't touch on employment issues. Rosengren and Molin agreed and then I said we wanted to write something a bit high-sounding and asked if they would also like to write."

"We Wrote Together"

"It turned out that they had already written something and I read it and it agreed with our assessments. So it was very natural for us to write together and when you read LO's entire response and ours you see there aren't any major differences."

[Question] Do you have any views as to who will have the greatest responsibility for getting the new energy policy carried out?

[Answer] We want to have a more efficient system. How that will come about will of course be thoroughly discussed. There is now great latitude on the part of power companies and industry as far as willingness to tackle the problems is concerned. Birgitta Dahl has said that she wants to have a broad consensus behind energy policy. I think that's important. We really can't stand around and utter nonsense about these issues year after year.

"We Know Best"

In fact, we have already contributed by saying we accept an end to nuclear power by the year 2010. But we can never go along with those discussions currently in progress about shutting down some reactors in 1993 and 1996. Instead let's work on how nuclear power is going to be replaced and let's concentrate on that.

[Question] Do you see a risk of more efficient energy techniques being counteracted if the matter is put solely in the hands of the power producers?

[Answer] We have discussed this problem. We have written to Vattenfall and said that it is now important to work together with users. The power companies won't come to us and talk about how we're going to use electricity. We are the ones who talk about that the best. But we are willing to work together with them.

[Question] How do you view the split between public and private power production? Is the 50-50 split we have today all right?

[Answer] Yes, if everything were privatized, then we would get rulings from the politicians as in the USA and we definitely don't want that.

[Question] You recommend expanding hydropower. Do you think there is a shift of opinion in parliament?

[Answer] We've brought up this issue with all the parties and they all completely reject it. This despite the fact that hydropower is good for the environment and despite the fact that we have a great deal of knowledge on the subject.

Best Way

And we wonder if there is any better position from which to show that we're really serious about ending nuclear power. If people were truly serious, expanding hydropower would be the best way to demonstrate it.

[Question] Shouldn't there be a large investment in energy efficiency first before you pipe in high-quality electricity from new hydropower?

[Answer] In political terms, "yes," but energy efficiency deals with reality and in practice we have to see whether it's good to go a long way down that path. Today industry consumes approximately 50 terawatt-hours and even if electricity consumption in new industrial production can be cut by half, industry's total use of electricity would still grow.

[Question] So you don't see a risk of making the same mistake that was made with expanding nuclear power, namely of power companies investing in new major plants which were really not needed?

[Answer] Today I don't think nuclear power was a bad investment. But for political reasons it was built up too quickly. The question was do we build now or never. At the same time nuclear power helped decrease our dependency on oil.

No Answer

The best thing now would be getting a replacement technique having great flexibility, that is very much in users' interests. But the way to a good solution for the replacement of nuclear power is not users' business, it's the power companies'.

[Question] Sweden isn't about to go under without nuclear power. But does hydropower really have a chance to succeed in Sweden?

[Answer] No, the country won't go under, but if we don't quickly put up a number of demonstration plants we won't have any answer to the question of how nuclear power is going to be replaced.

[Question] Are all the answers needed today, this instant?

[Answer] No, but we need demonstration plants. Put up a good coal power plant in Oxelosund, put up a good combination coal or gas plant somewhere else and take a look at hydropower. That's what has to be done today to be ready before the decisions of the 90's. Today we just don't know what we'll do.

[Question] Does industry have any responsibility for the success of this conversion?

[Answer] I wouldn't say it has responsibility. But we shall help and we won't interfere. The end of nuclear power and the problems that arise from it have to be the responsibility of the politicians. Because there are problems and they will carry a price tag. This is what we have said all along. And it has to be made clear.

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